

1.500 ن.ال.م.ل

# Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Paris, Friday, November 4, 1994

No. 34,737

## U.S. Shows It Is Serious About Defending Dollar

### Federal Reserve Move Lifts Currency, But Fails to Revive Weak Bond Market

By Lawrence Malkin  
International Herald Tribune

NEW YORK — Swooping in for the second straight day, the Federal Reserve aggressively pushed up the value of the dollar on Thursday in a move seen by financial markets as aimed at helping the government's bonds as much as its currency. But if bond prices were also a target, the Fed missed.

The central bank, which can intervene in currency markets only on instructions from the elected government through the Treasury, started buying dollars at 11 A.M. Continental European markets were closed, and London was just winding down, giving the Fed a more manageable field in which to work.

Signaling its intention to raise its currency and not just stabilize it, the Fed bought dollars with Deutsche marks and yen at the high end — rather than the low — of offered prices in successive waves. This pushed the dollar close to points that looked better on traders' technical charts in an operation that Avinash Persaud of J.P. Morgan & Co. called "intelligent and strategic."

The dollar closed in New York at 1.5181 DM, up from 1.5154 DM Wednesday, and at 97.74 yen, up from 97.65 yen. The dollar rose to 5.2075 French francs from 5.1900 francs and to 1.2680 Swiss francs from

1.2635 francs. The pound weakened to \$1.6175 from \$1.6230.

Two days of intervention thus left the dollar well up from the postwar low against the yen, set Wednesday, of 96.20 yen. But the moves failed to restore confidence in the Treasury bond market, where the price of the benchmark 30-year issue slipped 3/32 point, to 93 10/32, and the yield edged up to 8.10 percent, from 8.09 percent.

The bond market was still waiting to see whether the Treasury's new policy of maintaining the dollar's value would be underwritten by the Fed with higher interest rates.

"The psychology is so pervasively negative in both the bond and currency markets that they are trying to shake it up," said David Resler of Nomura Securities. "Both believe the worst fears about inflation although they are not justified."

The collapsing dollar clearly gave fright to Washington so close to congressional elections and the quarterly sale of government debt set for next week. Those events will be followed by a Fed meeting Nov. 15 to set interest rates, and this combination of events helped answer the question of why the Treasury ordered the intervention now after passing up several opportunities

See DOLLAR, Page 16



SPOILS OF WAR — Bosnian Croat soldiers displaying a badge of the Bosnian Serb army and a Serbian flag, after Croatian troops captured a Serbian stronghold and the surrounding area in central Bosnia on Thursday. Page 10.

## Dublin Offers Unionists a Guarantee on Ulster Status

### Reynolds Would Ensure North of No Change Unless Majority Agreed

By James F. Clarity  
New York Times Service

DUBLIN — Prime Minister Albert Reynolds said Thursday that his government was prepared to approve a radical change in the constitution of the Irish Republic to assure the Northern Protestant majority that they would never be subsumed in a united Ireland against their will.

Mr. Reynolds said he hoped his promise, made publicly and specifically for the first time, would assuage Protestant fears and accelerate the peace initiative he advanced in December with Prime Minister John Major of Britain.

He said he hoped that, in return, Britain would loosen its legal claim to sovereignty, and that he thought this was possible in the coming months.

He said he thought the peace initiative was proceeding well, and said not even isolated acts of terrorism would kill the effort.

One of the most contentious issues in the Irish-British effort is that of sovereignty over the six counties of the North comprising the British province of Ulster.

The Protestant majority wants to remain part of Britain, but the Irish Republic has a direct claim to sovereignty in its constitution. The Northern Protestants and London have demanded that Ireland change its constitution. A united Ireland is the ultimate goal of the overwhelmingly Roman Catholic Irish Republican Army, the ultimate nightmare for many Protestants.

In recent months, aides to Mr. Reynolds have said privately that he is flexible on the issue, but have not dealt in details. The possibility of constitutional change is also suggested in the Downing Street Declaration signed by the two prime ministers on Dec. 15. But on Thursday, in an interview in his office in Government Buildings, the prime minister said he wanted, for the first time, to make his policy public and explicit.

"We are aware of the fears of the Unionist community," he said of the northern Protestants. "So we are prepared to insert in the Irish constitution the principle of consent," that is, that as part of an overall peace agreement the Irish government would approve a constitutional amendment saying that there would be no change in the political status of the North without the consent of the majority. The amendment, with the full support of the government, would be put to a referendum, possibly with other aspects of the overall settlement.

Mr. Reynolds acknowledged that the Irish claim to sovereignty in the North, in Articles 2 and 3 of the constitution, had long been a vital article of faith among Irish nationalists in the republic, adding, "The fear of the Unionist community was that the Republicans boasted that they would go in and take over the North by force."

He said he hoped his explicit promise to change the constitution would move Protestant leaders to meet with him to discuss this and other issues.

The prime minister said he also hoped that his statement would smooth out differences between him and Mr. Major on the issue, and accelerate the completion of the new framework document the two leaders are preparing to set the stage for eventual talks involving all parties in the North, including Sinn Féin, the IRA's political wing, and the Irish Republic and the British government.

See POLLUTE, Page 7

## New East Europe Wheezes, Its Old Pollution Woes Unchecked

By Marilee Simons  
New York Times Service

PRAGUE — One place to measure the disheveled state of Eastern Europe's environment these days is a great electronic scoreboard in downtown Usti, a Czech town on a bend of the Elbe River.

New sensors are sniffing the bad breath coming off the local factories, and on the scoreboard the people of Usti can track the gases they inhale as if following an important sports event.

"We still get about 20 types of harmful substances," said Zdenek Cerny, a former army officer in charge of the monitors. "Suddenly, half the town may get pains in the joints. Or skin problems. When these

chemicals interact, it creates a kind of nerve gas."

Usti's air and its color-coded scoreboard showing the ups and downs of nine different gases is even bringing it fame. Air-quality specialists from Japan, the United States and Western Europe have flocked here like tourists visiting a chamber of horrors. "When they have just 10 percent of what we get," Mr. Cerny said, "they think they have a disaster."

The scene is repeated across Eastern Europe as new Western computers probe the haze over Budapest in Hungary or the dust and soot over Krakow in Poland and Sofia in Bulgaria. The onset of capitalism has not cleaned the region's befouled air.

soil or water. But its instruments are now measuring it.

The starker message of the sensors is that almost five years after the collapse of communism, the region's environment continues to decay. Chemical works, smelters, coal mines and power plants are still infusing air and water with waste far surpassing international standards and causing severe health problems. Toxic dumps go on poisoning groundwater and cities keep on spewing their raw sewage into rivers.

What's more, capitalism is bringing its own problems — more traffic pollution, less public transport, more Styrofoam, more clashes between environment-

alists and the peddlers of consumerism.

There have been some gains. Factory emissions have dropped, per se, a result of a sputtering economy where many plants have closed or slowed down. But the enormous task of installing filters, scrubbers and treatment plants has barely begun. And energy still comes largely from highly polluting brown coal. "Achievements," a discouraged World Bank consultant wondered aloud, "they are few, rather fragile and very dispersed."

The main reason for this slow pace is that regional leaders insist that, given the urgency of economic recovery, the environment must wait. This policy decision underscores a fundamental question fac-

ing Eastern Europe as it continues its transformation. Should anti-pollution devices, fines and taxes be further postponed in order to protect factories and jobs? Or will this bring more health and cleanup costs in the future, not only to restore the havoc of the past but also the new damage still being caused today?

The modern notion that development and environmental protection should go together has not reached here," said Lutzchev Toshev, the head of the environmental group Ecoglasnost in Bulgaria.

In theory, communism with its strict central planning had more power than free-wheeling capitalism to avoid or pre-

### Kiosk

#### Bosnian Hijacker Gives Up in Oslo

OSLO (AP) — An armed Bosnian hijacker surrendered late Thursday after commandeering an airliner and demanding that aid supply lines be opened in Bosnia.

After holding at least 80 passengers and crew members aboard the SAS plane for more than three hours, the hijacker surrendered at Gardemoen airport outside Oslo.

The unidentified hijacker had demanded to speak with Bosnian officials and threatened to kill passengers if the police stormed the plane.

A sort of Biennale, not in Venice but in Montenegro. Page 8.

Book Review Page 5.



OIL FIRE'S TOLL — A man in Durunka, Egypt, being comforted Thursday amid mourning for hundreds of victims of burning oil. Page 2.

## Breakthrough in Hong Kong Airport Talks

By Kevin Murphy  
International Herald Tribune

HONG KONG — After more than three years of negotiations bedeviled by numerous arguments over Hong Kong's political future, China and Britain agreed to a general formula on Thursday for financing the colony's \$20.3 billion airport.

The breakthrough on a project that is a symbol of British-Chinese cooperation, coupled with conciliatory statements from Beijing, has raised hopes that relations between the two countries have become more workmanlike.

But analysts warned that, with final details of the financing still to be hammered out and several other disputes unresolved, major obstacles remain to a smooth transfer of power to China in July 1997.

On Friday, the two sides will sign an "agreed minute" that will set borrowing caps for the Hong Kong government agencies involved in the project, an amount central to a dispute that has soured relations between London and Beijing since the airport plans were announced five years ago.

The head of the British delegation to the

Joint Liaison Group handling the negotiations, Hugh Davies, said the agreement would "help restore trust with the Chinese."

"It's a good step forward," said Mr. Davies of an agreement that will allow Hong Kong to borrow up to \$3 billion for the project. "It will, with any luck, unlock the arrangements that we need to make with the Chinese side on the important issues."

Zhou Nan, the head of the Xinhua News Agency, China's de-facto embassy in Hong

See AIRPORT, Page 10

Dow Jones	Trib Index
Up 8.75 3845.88	Unch. 115.71
The Dollar	Thurs. close previous close
DM	1.5187 1.5154
DM	1.5175 1.623
Yen	97.74 97.65
FF	5.2075 5.19

Newsstand Prices	
Andorra ..... 9.00 FF	Luxembourg 60 L Fr
Antilles ..... 11.20 FF	Morocco ..... 12 Dh
Cameroun ..... 1.400 CFA	Qatar ..... 8.00 Riels
Egypt ..... E.P. 5000	Réunion ..... 11.20 FF
France ..... 9.00 FF	Saudi Arabia ..... 9.00 R.
Gabon ..... 960 CFA	Senegal ..... 960 CFA
Greece ..... 300 Dr.	Spain ..... 200 PTAS
Italy ..... 2.600 Lire	Tunisia ..... 1.000 Din
Ivory Coast ..... 1.200 CFA	Turkey T.L. 35.000
Jordan ..... 7 JD	U.A.E. ..... 8.50 Dirh
Lebanon ..... 1.500 L.L.	U.S. Mil. (Eur.) \$1.10

## America's Elections Near, Voters Are in a Foul Mood

By Katharine Q. Seelye  
New York Times Service

NEW YORK — Heading into Tuesday's election, American voters are profoundly alienated from their elected representatives and the political process and confess to a deepening powerlessness and pessimism over the future of the country, according to the latest New York Times/CBS News Poll.

Disputing with Congress is near the recorded high, and more than 60 percent of those polled were unable to name an elected official they admired.

The public has not appeared so disconsolate since 1979, when the country was gripped by economic stagnation and Americans were taken hostage in Iran. Now, people say that they are frustrated and cynical and that they feel life has veered out of their control.

"I don't feel the people of this country have any control over what's going on, even if we voted in the person we wanted," said Debra Fleisher, 35, a mother of four in Greenfield, Indiana.

"The country is so big and there are so many issues and everyone has a different point of view," she added. "It's hard to have a safe neighborhood anymore. Even the media doesn't have control because bad is what sells. Like the Simpson case: That's what people want to see."

Mrs. Fleisher was one of the respondents who agreed to a follow-up interview after participating in a nationwide telephone poll of 1,429 adults, taken Oct. 29 through Nov. 1. The poll has a margin of sampling error of plus or minus three percentage points.

Asked about "the way things are going

in the United States," 43 percent said they expected things to be worse five years from now. In addition, most people fear that the next generation will be worse off than they are.

In the poll, crime emerged as a stark symbol of fear and powerlessness, and it remains the overwhelming concern of Americans. Twenty-three percent of those surveyed identified crime as "the most important problem facing this country today."

Economic concerns ranked second, with 18 percent calling them the nation's most pressing problem. Health care, which dominated this year's congressional agenda and ranked second in September, has plunged to fifth place, tied with drugs.

Other sources of anxiety that emerged include a fear by a quarter of Americans that some close relative will lose his job in

See SOUR, Page 10

## Disney Enchants Bourse Attendance Shortfall Whistled Away

By Barry James  
International Herald Tribune

PARIS — It's a small world, as a theme song of Disneyland Paris says. And it can be a bizarre one, too.

The share price of Euro Disney SCA's stock leapt 18 percent on Thursday even though officials reported that attendance at the theme park had fallen about 10 percent this year, to 8.8 million visitors, not all of them paying. When the park opened two years ago, the company forecast attendance of 11 million a year.

Investors were heartened that the company had narrowed its loss to 1.8 billion francs (\$345 million) for the financial year ending Sept. 30, compared with a 5.3 billion franc loss the previous year.

Investors were apparently also pleased that this year, unlike last, there were no brutal surprises in the earnings statement. The loss was roughly in line with what analysts had been predicting.

Euro Disney said its improved results had come in part from cutting costs. Some of that improvement, however, is only a one-time waiver of management fees and royalties by the Walt Disney Co. in the United States, which owns 40 percent. It waived the fees for five years as part of the financial restructuring

plan. This saves Euro Disney up to 350 million francs a year, according to share analysts.

Management, although sounding a relentless whistle-while-you-work message, was frank to acknowledge the theme park's main foe now that its financial restructuring is out of the way: too few "guests" spending too little money.

The report pushed up the share price to 8.15 francs, more than 150 francs short of the price when the park opened in April 1992.

Nigel Reed, a Paribas analyst who has stood out for his bearish views on the stock in the past, said the outcome in the face of lower revenues was a credit to the management. But he said in an interview with Reuters, "There's an immense amount of work to do."

To bring in the crowds, Euro Disney has had to cut prices — and even give entrance tickets away. Nevertheless, attendance dropped earlier this year, and Disney officials blamed this Thursday on rumors that the theme park was about to close.

Wouldn't this have brought people rushing to Disneyland for the wake? Philippe Bourguignon, the chairman,

See DISNEY, Page 10

## For Whom the German Villagers Toiled

By Joan Melloan  
Special to the Herald Tribune

HERSCHDORF, Germany — Money is always scarce in this windy village of 600 on the uplands of Thuringia, in the south-west of what was East Germany. The houses, sheathed in gray slate from local quarries, are neat but shabby. Trapped behind the Iron Curtain for almost 50 years, the village now waits patiently for the economic miracle promised by reunification. A fifth of the adults are unemployed; more than a third are retired. Despite hard times, there was much rejoicing at Herschdorf's annual Thanksgiving festival the first weekend of October. The reason is a kind of economic miracle: The bells of the church are ringing once more.

Four years ago, the onion-domed steeple of Herschdorf's 300-year-old Lutheran church was nearly destroyed by fire. But its three huge bells still hung from a strong beam and appeared to be undamaged. Last summer, after insurance money was paid, carpenters began rebuilding the steeple. When the bells were taken down, one was found to have been cracked. The foreman

told the pastor, Joachim Steinhöfel, that it was dangerous and should be replaced.

Mr. Steinhöfel and his wife, Eva, were stunned. The insurance, plus some funds from Germany's historic monuments commission, would pay for the steeple. People in the village had already scraped up 20,000 Deutsche marks to pay for a new clock in the tower. Could they be asked to contribute more? Even during Communist rule, when the Steinhöfels struggled against constant hostility and few people attended church, the bells had always rung for services, funerals and special events.

A quick canvass indicated that most villagers thought the cracked bell must be replaced. The first thing to do was to establish the tone of the cracked bell and how much a new one would cost. The first part was easy. The three Steinhöfel sons, all of them musicians in nearby Weimar, knew it was a B.

On a Wednesday in late July, Mr. Steinhöfel called a bell

See BELLS, Page 10



# Gaza Factions Allege Israel Planted Bomb That Killed Militant

By Clyde Haberman  
New York Times Service

JERUSALEM — All major political factions in the Gaza Strip, including Yasser Arafat's, joined Thursday in accusing Israel of having planted a car bomb that killed an Islamic militant leader.

Thousands of Gazans poured into the streets for the bomb victim's funeral, venting their rage not only against Israel but also against Mr. Arafat, whom they denounced as an Israeli "collaborator" and shoved out of a mosque as he tried to join the religious service.

According to some reports, Mr. Arafat, the leader of the new Palestinian autonomy in Gaza, was treated so roughly by angry Muslims at the Omari Mosque in Gaza that they knocked off his trademark headscarf.

"This is your peace, Arafat!" people shouted at him. "It's all liquidations and assassinations."

[Later Thursday, the Islamic Jihad group apologized to Mr. Arafat, according to Agence France-Presse.

[In a statement, the group said, "We in Jihad express our deep regret for the irresponsible act and this spontaneous reaction to which Mr. Arafat was subjected during his presence at the funeral of Hani Abed.

"We consider these acts do not represent the political and moral trend of Islamic Jihad in dealing with differences within the Palestinian home and we express our apologies," the statement said.]

Palestinian anger was also reflected in street protests that spread to East Jerusalem and several West Bank towns, including Nablus, where Israeli soldiers reportedly fired on rock-throwing demonstrators, wounding four.

The charges of Israeli involvement in the car-bombing came from all major forces in Gaza, from Islamic extremists to the mainstream Fatah faction that Mr. Arafat leads with-

in the Palestine Liberation Organization. Although there has been friction among various Palestinian groups, officials of Islamic Jihad argued that the bomb was rigged so skillfully that it suggested an expertise found more readily among Israeli agents than Gazans.

Israeli officials would not comment on the accusations.

But they clearly had no desire to discourage inferences that they were prepared to assassinate someone like Hani Abed, the victim on Wednesday in the Gaza town of Khan Yunis. Mr. Abed, 35, was a leader of the extremist Islamic Jihad group and had been suspected by Israel of having a hand in the shootings deaths of two Israeli soldiers in Gaza last May.

At almost the same time that the bomb tore the Palestinian apart as he went to his car, Prime Minister Yitzhak Rabin spoke at a ceremony for fallen Israeli soldiers and warned that his forces would target radical Islamic groups.

"With one hand we are shaking the hand of the Hashemite Kingdom of Jordan in peace, but with the other hand we are pulling the trigger in order to hurt the murderers of the Hezbollah, Hamas and Islamic Jihad," he said.

A Rabin spokesman, Oded Ben-Ami, said Thursday that those remarks were intended as a general warning to terrorists.

Nonetheless, Israeli officials have not denied, or confirmed, recent reports that the prime minister ordered "hit squads" to assassinate Islamic leaders, particularly from the Hamas group, to avenge the Oct. 19 bus bombing that killed 23 people in Tel Aviv. Hamas took responsibility for that attack as well as others in October.

If Israel's leadership has decided on revenge, it would not be the first time. One by one, it tracked down 16 PLO commanders held responsible for the hostage-taking that led to the deaths of 11 Israeli athletes and coaches at the 1972 Summer Olympics in Munich.



A FIRST — Prime Minister Tansu Ciller of Turkey, escorted by Prime Minister Yitzhak Rabin, met Christian clerymen on her arrival Thursday in Jerusalem. She called the visit, the first by a Turkish prime minister to Israel, "long overdue" and promised to bolster Middle East peace. She meets Yasser Arafat, the PLO chief, on Saturday.

## Islamic Radicals Kill Pakistani Legislator

The Associated Press

ISLAMABAD, Pakistan — Armed tribesmen demanding Islamic law in a remote corner of northwest Pakistan killed a provincial legislator Thursday, several hours after taking him hostage, the police said.

Bedi Uzzaman, a member of Prime Minister Benazir Bhutto's Pakistan People's Party, died in a shoot-out between his bodyguards and his captors. A second person was killed and six other people were wounded, the police said.

Later, a senior official of Miss Bhutto's government announced that Islamic law would be enforced in the troubled district, Malakand.

"In every district the people will be offered a choice," Aftab Sherpao, chief minister of the North-West Frontier Province, said at a rally in nearby Buner.

"They can either have their case heard before a Sharia court or a civil court."

Mr. Sherpao also said English would no longer be the language of the courts, replaced by Pashto, the predominant language spoken in the region, or Urdu, Pakistan's national language.

There was no immediate comment from the group that is leading the agitation. Tribesmen earlier condemned Miss Bhutto's government for reneging on similar promises made several months ago.

"We'll release our hostages once we are satisfied the government is sincere about bringing Islamic law to this region," said Maulana Fazle Haq, a leader of the Organization for the Enforcement of Islamic Law.

The trouble began Wednesday, when tribesmen kidnapped two judges. Earlier Thursday, they took over an airport and encircled the home of Mahboobul Rehman, another legislator and culture minister in the North-West Frontier Province Parliament.

Since then, thousands of tribesmen have been terrorizing towns and villages in the Malakand district, about 150 kilometers (95 miles) northwest of Islamabad.

By Thursday night, the police said, at least 50 people were being held hostage in court-houses and police stations in three villages in the district.

The group demanding Islamic law began its campaign after Pakistan's supreme court abolished regulations last February for tribal areas dating from British colonial rule, which ended in 1947.

Most Pakistanis are Muslim but elections have brought little support for Muslim fundamentalists.

On Thursday, tribesmen armed with rocket-propelled grenades and assault rifles took over the terminal and control tower at the airport at Saidu Sharif, in the Malakand district.

No one was injured, but four scheduled flights to the town were canceled, the police said. Witnesses said the runway was littered with boulders to prevent aircraft from landing.

The siege of Mr. Rehman's home also started Thursday. He was reportedly in good condition.

Last May, 11 people were killed and more than 20 wounded after 30,000 tribesmen blocked traffic for five days in the Malakand area.

## WORLD BRIEFS

### Northern League Chief Slips in Poll

ROME (Reuters) — Umberto Bossi, leader of the federalist Northern League, is losing support within his party, a poll showed on Thursday.

A total of 44 percent of the party's members said they believed Interior Minister Roberto Maroni would make a better party secretary than Mr. Bossi, while 28.8 percent said Mr. Bossi was the better leader. The League is holding its general assembly in Genoa on Sunday.

The poll, by the SWG research organization, also found that 70 percent of the respondents viewed favorably the government of Prime Minister Silvio Berlusconi of which the League is a coalition member. Mr. Bossi, who has had a stormy relationship with Mr. Berlusconi, has floated the idea of withdrawing support for the government.

### Haiti Too Unsafe for UN, Official Says

UNITED NATIONS, New York (AP) — The situation in Haiti is not stable enough for the U.S.-led multinational force to relinquish control to the United Nations, the UN special representative for Haiti said Thursday.

"As long as you don't have policemen in the streets who can do the job, I think you have to look harder before you can say you have a safe and secure environment," the official, Lakhdar Brahimi, said at a news conference. Mr. Brahimi could not name a date when the UN forces would enter Haiti, but he said they could overlap with the multinational force currently there.

He said the United Nations was not satisfied with the level of disarmament so far, and pointed to reports of continuing repression in the countryside by former provincial officials. The report is sure to disappoint the United States, which is anxious to turn over the multinational operation it leads in Haiti to a UN mission, expected to number 6,000.

### Paris Stands Firm on Headscarf Ban

PARIS (Reuters) — Education Minister François Bayrou said Thursday that the government would propose a law outlawing Islamic headscarves in state schools if France's highest administrative tribunal opposed a recent informal ban.

He said in an interview with the weekly Le Nouvel Observateur that he doubted that the Council of State would rule against the ban, which is aimed at combating Islamic fundamentalism. "If such were the case — I repeat I do not believe it — it would inevitably lead to a legislative move that we have wanted to avoid because of the sensitivity of the subject," he said.

Twenty-five girls have been expelled from state schools since Mr. Bayrou banned "ostentatious religious symbols" in secular state schools in September. Some Muslims say the rule unfairly targets their traditional dress. A former education minister, Lionel Jospin, has said that there was only a shaky legal basis for Mr. Bayrou's order.

### Nobel Laureate to Try to Leave Lagos

LAGOS (AFP) — The Nobel laureate Wole Soyinka, whose passport has been confiscated by the Nigerian military authorities, will try to leave the country Thursday using a UN travel pass, he said Thursday.

Mr. Soyinka, a fierce critic of the ruling military junta, was forced to give up his passport on Sept. 22 as he was preparing to leave for a tour of Europe and attend an international writers' congress in Lisbon.

Mr. Soyinka said he would fly to Paris aboard an Air France flight Thursday night. From there he would travel to Strasbourg to attend a writers' conference taking place over the weekend. In late October, Mr. Soyinka was named a goodwill ambassador by Unesco, qualifying him for UN documents to travel around the world.

## TRAVEL UPDATE

### Strike Grounds 70% of Iberia Flights

MADRID (Reuters) — A 24-hour strike grounded about 70 percent of Iberia Air Lines on Thursday, pushing the struggling Spanish airline deeper into crisis.

"It's a civilized strike," a union spokesman said. "We are fulfilling the minimum requirements and nearly 30 percent of flights are going out." Flights of other airlines were operating, although there were some delays, the General Workers Union spokesman said. Iberia, which has posted losses of 150 billion pesetas (\$1.2 billion) in the last four years, is at odds with the union over pay cuts and layoffs in a restructuring plan.

British Airways has resumed flights to Beirut after a 10-year hiatus because of the 1975-1990 civil war in Lebanon, civil aviation authorities in Beirut said. It will fly between London and Beirut five times a week. (AFP)

Air France will be allowed to increase direct flights to India, including the addition of a service to Madras, a spokesman for Air France said. Under an accord between France and India, Air France is entitled to make six round-trip flights a week to India, rising to seven in 1995. (AFX)

Indonesia has opened four more regional airports to international traffic in an effort to encourage greater tourist and business traffic. The airports are at Banda Aceh, Bandung, Ujungpandang and Mataram, a senior Indonesian immigration official told the Antara press agency. (AFP)

## Russia Says U.S. Submarine Violated Territorial Waters

Compiled by Our Staff From Dispatches

MOSCOW — Russian anti-submarine patrols in the Barents Sea tracked a U.S. Navy submarine inside Russian territorial waters for several hours before forcing it to leave, the Interfax press agency said Thursday.

The submarine was discovered 8 kilometers (5 miles) outside of Kola Bay, near the northern port city of Murmansk, according to Interfax. A Defense Ministry spokesman, Alexander Veledeyev, confirmed that a foreign submarine was detected in Russian waters on Wednesday.

Admiral Oleg Yerosheyev, commander of the Northern Fleet, was quoted by Interfax as saying that the intrusions of U.S. submarines into Russian waters "undermine the basis of peaceful initiatives signed by the two countries, and lead to an escalation of military tensions at sea."

Russian anti-submarine ships, Interfax said, had the American submarine under surveillance for several hours before it left following repeated warnings that it was in Russian territorial waters.

Interfax said it was the third time in two years that U.S. submarines had been found in Russian waters.

In Washington, officials, who asked not to be identified, said no U.S. submarine had ventured within 5 miles of the entrance to the narrow Kola Bay on Wednesday. (AP, Reuters)

## Put an End to Holy Wars, Pope Urges at Conference

Reuters

VATICAN CITY — Pope John Paul II, in an allusion to Islamic fundamentalism, said at a peace conference Thursday that killing or waging war in the name of religion was a blatant contradiction.

"No one can consider himself faithful to the great and merciful God who in the name of the same God dares to kill his brother," the Pope told an assembly of the World Conference on Religion and Peace, which opened at the Vatican on Thursday.

"Religion and peace go together: to wage war in the name of religion is a blatant contradiction," the Pope told the assembly's 900 participants from 15 religions. In his address, the 74-year-old pontiff urged the assembly to denounce the concept of so-called holy wars.

The speeches in the Vatican's Synod Hall were interspersed with Hebrew songs sung by Miriam Meghni, a Jew from Libya, and the drumbeat of an African band. As Ms. Meghni sang, members of the assembly watched slides of concentration camp victims, prisoners of war, and soldiers brandishing automatic weapons. The theme of the conference is "Healing the World: Religions for Peace."

## France Makes Appeal in Caning Case

PARIS (AFP) — France appealed to Singapore on Thursday for clemency for one of its nationals sentenced to five strokes of the cane for passing bad checks and overstaying his visa.

Marcel Aimé Faucher, 45, who has lived in Singapore on-and-off for the last 12 years, was also sentenced to 14 months in prison for the offenses. The French Foreign Ministry said its appeal for

clemency concerned only the caning and not the jail terms. An American youth received four strokes of the cane in May after being convicted of vandalism.

## Swiss Printers Go on Strike

Reuters

ZURICH — More than 13,000 Swiss printing workers began a 24-hour strike on Thursday to back their pay demands, trade unions said.

## Grief and Horror in Charred Egypt Town

By John Lancaster  
Washington Post Service

DURUNKA, Egypt — More than 24 hours after it was swept by floodwaters and blazing fuel, this Nile Valley community was filled with grief and scenes of horror Thursday as stretcher bearers maneuvered through muddy streets carrying charred remains of victims while weeping, black-robed women lined the main road leading into town.

A senior police official in the provincial capital, Asyut, near here put the number of dead in the disaster at 293, many of them whole families incinerated in their homes. He emphasized that the death toll could go considerably higher, as "there are still many bodies in there" that have yet to be recovered.

Hospital workers in Asyut said that 372 bodies from Durunka had been counted before rescue operation resumed after an overnight break, and civil defense workers said that the bodies of 55 more victims had been recovered on Thursday, Agence France-Presse reported from Asyut.

Disaster struck early Wednesday, when floodwaters surged through the poorest and most densely packed neighborhood of this farming town 325 kilometers (200 miles) southeast of Cairo, sweeping away trucks and cars, collapsing mud-brick houses and even spilling coffins from their crypts in a cemetery.

But the greater horror was yet to come, as burning gasoline from ruptured storage tanks flowed freely across the water, spreading deadly fingers of destruction up streets and alleys, into apartment buildings and individual homes.

Many residents expressed anger Thursday over what they described as the slow response of the Egyptian government. It dispatched Prime Minister Atef Sidky for a brief visit and sent in military personnel to set up 500 tents, but left most rescue activities to the underequipped local fire department.

The torrential rains that began Tuesday have been described as the worst in Egypt in half a century.

"We were asleep," said Mohammed Diab Kotb, 39, a driver for the local health authority who was awakened around dawn by the sound of flowing water. He roused himself to take a look and stepped outside into the street, leaving his wife and five children inside the house.

Almost instantly, he said, he was caught up in a raging torrent, pushed across the street and slammed into a utility pole, which he grabbed to keep from being swept away. Then the wall of the Christian cemetery a few feet away collapsed and coffins floated into the street; two of them were still visible Thursday.

Mr. Kotb said the current was too strong to allow him to return to his home. So he made his way through chest-deep water along the remaining cemetery wall, finally reaching an asphalt road and higher ground.

About the time he made it to safety, he said, "the explosion happened."

## Ex-Stasi Chief's Trial Abandoned in Berlin

Reuters

BERLIN — The trial of the former head of East Germany's feared Stasi security police was abandoned on Thursday because of the defendant's poor health, a Berlin court said.

Erich Mielke, 86, known as the "Master of Fear," had been charged with manslaughter for his suspected role in the killing of people who tried to flee to the West across the border between East and West Germany.

The presiding judge, Hansgeorg Bräutigam, said Mr. Mielke would be entitled to compensation for the time he had spent in prison from August 1992 to December 1992, awaiting the trial and before being granted bail.

The former Stasi chief had already been sentenced to six years in jail for killing two police officers in 1931 outside the Communist Party headquarters in Berlin shortly before the Weimar Republic gave way to Nazi dictatorship. He has appealed against that verdict.

Mr. Mielke was the last of East Germany's senior Communist officials to face trial over the border killings. German authorities say that more than 400 people were slain trying to escape from East Germany during the Cold War.

### Modrow's Retrial Ordered

Germany's highest court has cleared the way for the retrial of East Germany's last Communist leader, Hans Modrow, on charges of electoral fraud, Agence France-Presse reported Thursday from Karlsruhe, Germany.

The case involves municipal elections in Dresden shortly before the fall of the Berlin Wall in 1989. At the time of the elections, Mr. Modrow headed the Communist Party in Dresden.

Judicial officials said the court in Karlsruhe had overturned a decision by a Dresden court, which ruled in May 1993 that Mr. Modrow had acted fraudulently in three instances, but dismissed charges against him in two other cases.

## UNIVERSAL TRANSLATOR

To call from country to country, or to the U.S., dial the WorldPhone® number of the country you're calling from.

Antigua (Available from public card phones only.)	001-800-333-1111	Denmark (CC)	8001-0022	Iceland (CC)	999-002	Nicaragua (CC)	900-99-0014
Argentina (CC)	001-800-333-1111	Dominican Republic	800-751-6624	Ireland (CC)	(Special Phone Only)	(Outside of Managua, dial 02 first.)	020-795-822
Australia (CC)	022-303-012	Egypt (CC)	1-300-624-1000	Israel (CC)	1-800-55-1001	Norway (CC)	155-0222
Bahamas	800-002	El Salvador	1-300-624-1000	Italy (CC)	177-150-2727	Panama	108
Belgium (CC)	0800-10012	Finland (CC)	800-002	Jamaica	172-1022	Military Bases:	2810-108
Bermuda	1-800-623-0484	France (CC)	800-002	Kenya	800-674-7000	Paraguay	008-11-800
Bolivia	0-800-2222	Gambia	00-1-59	Kuwait	080011-0000	Peru (Outside of Lima, dial 130 first.)	001-180
Brazil	000-0012	Germany (CC)	000-0012	Lebanon (CC)	080011-0000	Poland (CC)	05-014-800-222
Canada (CC)	1-800-898-9000	Guatemala (CC)	000-0012	Lithuania (CC)	800-624	Portugal (CC)	05-017-1234
Cayman Islands	1-800-624-1000	Honduras	000-0012	Madagascar	0800-0112	Puerto Rico (CC)	1-800-888-8000
Chile (CC)	000-0012	Hungary (CC)	000-0012	Mali	0800-0112	Romania (CC)	475-026
Colombia (CC)	980-16-0001	Guatemala (CC)	000-0012	Mexico	0800-0112	Russia (CC)	185-0222
Costa Rica	000-0012	Honduras	000-0012	Morocco	0800-0112	Saudi Arabia	0800-0112
Czech Republic (CC)	000-0012	Honduras	000-0012	Netherlands (CC)	0800-0112	Slovak Republic (CC)	0800-0112
		Honduras	000-0012	Netherlands (CC)	0800-0112	South Africa (CC)	0800-0112
		Honduras	000-0012	Netherlands (CC)	0800-0112		

Use your MCI Card, a local telephone card or toll collect...all at the same low rates. (CC) Country-to-country calling available. May not be available to all international locations. Certain restrictions apply. \* Limited availability. \* Toll for second dial tone. \* Available from LADATEL public phones only. \* Rate depends on call origin in Mexico. \* International communications center. \* Not available from public pay phones. \* Public phones may require deposit of coin or phone card for dial tone.

WorldPhone™ Let It Take You Around the World. From MCI



# THE AMERICAS / A STORY THAT WON'T DIE

## ★POLITICAL NOTES★

### Christian Right Works to Get Out the Vote

WASHINGTON — The conservative Christian Coalition is mounting its most ambitious voter outreach program ever in a midterm election, distributing 33 million voter guides for every Senate and gubernatorial race and 350 House races, and phoning two million homes to get out the vote on Election Day.

"For us it is an unprecedented opportunity to reverse a historical trend that sees religious conservative voters turn out in huge numbers in a presidential election, and then recede into insignificance in off-year elections," said Ralph Reed, the group's executive director. "We have an opportunity to take a community that has been in self-imposed cultural isolation and move it into the mainstream of American political life."

Most of the voter guides will be delivered to congregants at 60,000 churches this Sunday, the last before Election Day. But for the first time, the coalition faces organized religious opposition in the form of the Interfaith Alliance, a clergy group formed in the summer to counter the coalition's growing impact.

The Christian Coalition's voter guides are a focus of controversy this year because the group has promoted them as a "nonpartisan" tool for voter education. The coalition has compared its guides to those of the League of Women Voters. League officials say they have complained to coalition leaders that the new guides are more a campaign advertisement than an unbiased comparison of candidates' views. (WP)

### Spies' House Still Skulking on the Market

WASHINGTON — The den of secrets that once belonged to the convicted Russian spies Aldrich and Rosario Ames is not exactly what you would call a hot property.

After four months on the market, the five-bedroom, split-level home in a Virginia suburb that Mr. Ames bought in 1989 for \$540,000 cash, still sits empty, and the original \$535,000 asking price has plunged to \$497,000. Proceeds are set to go to the government.

A couple of hundred curiosity seekers showed up at first, and there were a couple of low-ball offers, says a source in the U.S. Marshal's Office. But there has been little interest in the past two months. Even with its intriguing history, the house still has an old-fashioned bugaboo that must be dealt with — water in the basement. (WP)

### Clinton Is Told Where to Draw the Line

PROVIDENCE, Rhode Island — To hear his advisers tell it, this is Bill Clinton's mission as he begins his final cross-country charge of the fall campaign: define the choices, rally the faithful, fill the coffers and help those Democrats who want to be helped.

But these are his instructions: never, never, never stray south of the Mason-Dixon line.

With less than a week before the election, Mr. Clinton is spending his evenings in halls like the Rhode Island Convention Center in Providence on behalf of candidates like Myrth York, the Democrat who hopes to be the state's next governor. By week's end, he will have carried his exhortations to New York, Iowa, Minnesota, California and Washington.

But in Tennessee, Oklahoma, Florida and Texas, where the Democrats are facing some of their toughest Senate and statehouse races, Mr. Clinton will nowhere be seen.

"We go where we're invited," a senior White House official said with a shrug. With voter antipathy toward Mr. Clinton still running fierce across the South, that has left his late-autumn march confined to fewer than a dozen states across the Northeast, the Midwest and the West Coast, where candidates believe the president can make a positive difference. (NYT)

### Quote/Unquote

A Republican Party spokesman in Hawaii on the campaign of Robert Garner, the party's little-known candidate who is running for a House seat against the popular Democratic incumbent, Patsy Mink: "We heard he's off sailing on his boat." (WP)

### Away From Politics

• A Florida jury recommended the electric chair for Paul Hill, an anti-abortion extremist convicted of the shotgun slayings of an abortion doctor and his escort. Circuit Judge Frank Bell is not bound by the recommendation and could instead impose a sentence of life in prison. A sentencing date was not immediately set.

• President Bill Clinton has signed legislation to allow compensation payments to Gulf War veterans who are chronically disabled with undiagnosed illnesses.

• Several people were injured, vehicles damaged and at least six strikers were arrested as a newspaper strike started in San Francisco. Unions representing 2,600 workers at the San Francisco Chronicle and San Francisco Examiner, the city's two main dailies, set up pickets and stopped deliveries.

• The NAACP called on organization leaders, members and corporate supporters to contribute to a fund drive aimed at raising its \$3.8 million debt by the end of the year. The civil-rights organization has laid off 88 employees for at least two weeks because it cannot meet its payroll.

• The space shuttle Atlantis roared into orbit with six astronauts on a 11-day mission to measure the Earth's ozone layer, including the hole over the Antarctic. AP, Reuters, WP

## Erwin Knoll Dies at 63, Edited The Progressive

New York Times Service  
Erwin Knoll, 63, the editor of The Progressive, an iconoclastic magazine that crusaded for civil liberties and against nuclear weapons and U.S. intervention abroad, died Wednesday, apparently of a heart attack, in Madison, Wisconsin.

Mr. Knoll presided over a magazine that traces its roots to Robert La Follette Sr., a combative maverick legislator in the early decades of the 20th century. Mr. Knoll described The Progressive as an "ecumenical journal of the American left."

In 1979, the year after he took over as editor, The Progressive became the first publication ever ordered by a federal court not to print an article because of national security.

The government had sought the order to prevent The Progressive from publishing an article called "The H-Bomb Secret, How We Got It — Why We're Telling It."

Mr. Knoll said the article, which detailed the workings of a hydrogen bomb, was based solely on information in the public domain. But the Justice Department contended that it violated the "restricted data" sections of the Atomic Energy Act of 1954.

## Book Accuses Senators of Laxity in Thomas Hearings

By Joan Biskupic  
Washington Post Service

WASHINGTON — A new book about the 1991 confirmation hearings of Clarence Thomas to be a Supreme Court justice says the Senate Judiciary Committee deliberately avoided following up on additional evidence that Justice Thomas may have lied when he denied allegations of sexual harassment.

The book, titled "Strange Justice: The Selling of Clarence Thomas," and written by two Wall Street Journal reporters, describes the committee as awkwardly and only half-heartedly pursuing the truth of harassment charges made in testimony by Anita F. Hill, a law professor. It portrays individual senators as stymied by a lack of committee leadership, political fears and their own personal indiscretions.

Showing Justice Thomas as a man who talked crudely about sex and propositioned co-workers, the book calls into question his denials to the committee. It uses statements from Justice Thomas's friends and associates from his college years through his nomination to the court by President George Bush to show that he had a long, active interest in pornography.

Written by Jane Mayer and Jill Abramson, the book, published Wednesday, has already contributed to the ideological and factual debate that began with the hearings three years ago. A book published last year, "The Real Anita Hill: The Untold Story," by David Brock, contended that Ms. Hill lied in her Judiciary Committee testimony.

Justice Thomas declined to comment on the new book. His friend and colleague, Armstrong Williams, said: "There is nothing new in the

book. It's he-said, she-said, they-said. Unless there was an eyewitness there, no one knows what happened" between Justice Thomas and Ms. Hill.

The book introduces new people who might have corroborated parts of Ms. Hill's allegations if they had testified. "Strange Justice" says: "If Thomas did lie under oath, as the preponderance of the evidence suggests, then his performance, and that of the Senate in confirming him, raises

fundamental questions about the political process that placed him on the court."

"I could have brought in the pornography stuff," the Judiciary Committee chairman, Joseph R. Biden Jr., Democrat of Delaware, is quoted as saying. He said that he could "decimate" Justice Thomas with that.

"I could have raised it with more legitimacy than what the Republicans were doing," he says. "But it would have been impossible at that point

to further postpone the hearings for more investigation into his patterns of behavior."

And, he added, "it would have been wrong." Mr. Biden said he was trying to be fair to the nominee and to respect his privacy.

Mr. Williams, who was a confidential assistant to Justice Thomas in the mid-1980s when Justice Thomas was chairman of the Equal Employment Opportunity Commission, said of the report of the justice's interest in pornography: "That's his private life."

"Strange Justice" uses statements from Justice Thomas's friends and associates to undermine his testimony that he never talked dirty with Ms. Hill.

The authors, after interviewing acquaintances during his college years at Holy Cross, report that he talked crudely about sex and enjoyed pornography. Kaye Savage, a former colleague, reports that the walls of his bachelor apartment were covered with Playboy nude centerfolds. The owner of a video store near the Equal Employment Opportunity Commission said Justice Thomas was a regular customer for pornography movies.

During his confirmation hearings, four witnesses testified for Ms. Hill to corroborate her testimony. The book also contains a fifth corroborating witness, Bradley Mims, a friend of Ms. Hill's in the early 1980s, said she had been upset by Justice Thomas's lewd talk.

The book details the previously reported sexual harassment allegations of three other former Thomas employees: Angela Wright, who says Justice Thomas talked to her about her breasts and legs; Rose Jourdain, who corroborates Ms. Wright's story; and Sukari Hardnett, who said there was a "sexual dimension to Thomas's treatment of women" at the equal employment panel.

## The Wall Street Journal's Great Divide

New York Times Service

NEW YORK — Across the front page of its second news section on Wednesday, The Wall Street Journal published an article based on a much-promoted new book by two of the newspaper's journalists.

The article, "A Closer Look at Clarence Thomas," was filled with information that the writers, Jane Mayer and Jill Abramson, said corroborated Anita F. Hill's version of events in the Thomas confirmation hearings.

The report in The Journal's news pages highlighted what journalists say may be the largest gulf between two arms of an influential newspaper, an aggressively conservative editorial page and what some conservative critics say is an aggressively mainstream, or even liberal, news section.

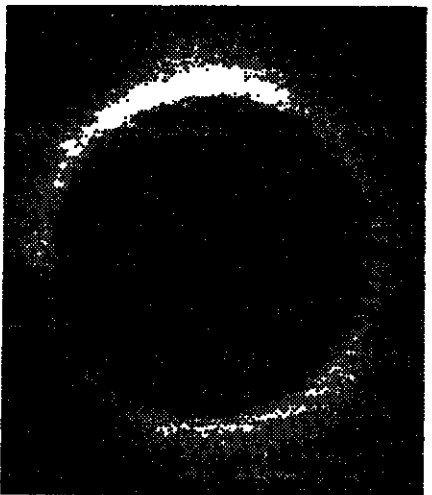
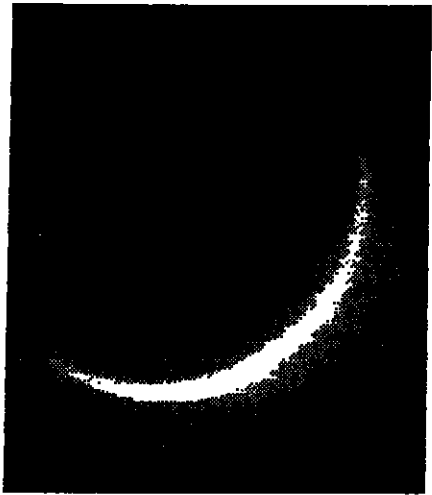
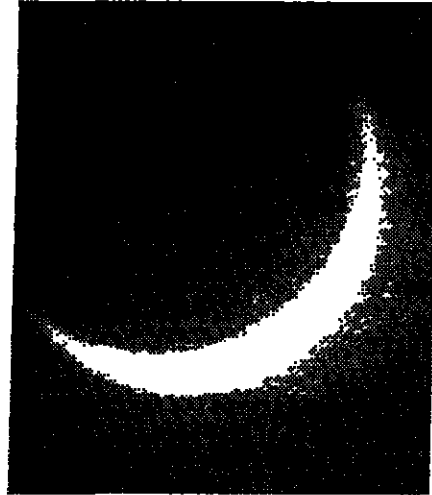
The Journal's editorial page has championed Justice Thomas at every turn, consistently dismissing Ms. Hill's accusations as "slime" and preposterous "character assassination." So it

may have come as little surprise inside the newspaper that one place where Wednesday's news article appeared to have the least influence was inside the offices of The Journal's editorial writers.

Like most important news organizations, The Journal has long nurtured a church-state separation between its news and editorial departments. But at The Journal that separation has often been tinged with enmity because the two separate staffs have so little in common.

Journal reporters often complain that they feel the editorial page goes too far. Expressing its split personality, The Journal has long crusaded against business skulduggery on its front page, while attacking regulators and prosecutors on its editorial page.

Some journalists said Wednesday's article appeared to be pro-Hill retaliation by the news department that has been repeatedly rammed by the pro-Thomas sentiment of the editorial page department.



Television images of the eclipse, which lasted 2 minutes 50 seconds, as seen from Putre, Chile, on Thursday.

## Eclipse Gives South America Solar Show of a Generation

The Associated Press

LA PAZ — The sun set and rose twice over Bolivia and much of South America on Thursday when a solar eclipse passed through the region. Hundreds of thousands of onlookers took in the last total eclipse to be seen in the region until 2113.

The eclipse darkened an area between southern Peru, northern Chile, Bolivia, Paraguay, Brazil and Argentina for several minutes. In La Paz, a prime viewing area, it began at 8:18 A.M. and lasted for three minutes. Areas directly over the path of the eclipse were completely shrouded in darkness.

The city of La Paz came to a virtual standstill Thursday as school, banks, businesses and government offices were shut down so people could watch the eclipse.

The eclipse was broadcast live over national television and was visible despite partly cloudy skies.

## 8 in Simpson Jury Pool Are Removed in Final Phase of Selection

The Associated Press

LOS ANGELES — Prosecutors dismissed six prospective jurors and the defense excused two on Thursday as attorneys in the O.J. Simpson trial began the crucial final phase of picking the jury.

After weeks of probing for possible bias, prosecutors excused five blacks and one white

out of the pool of 40 prospects. The defense, indicating acceptance of most panelists, excused just two women, a Hispanic and an American Indian, in the first six chances they had to challenge prospects.

In the peremptory challenge stage, potential jurors can be excused for any reason except their sex or race. Each side has 20 such challenges. The final

jury pool contained 25 women and 15 men.

Lawyers for both sides said they were hopeful 12 panelists would be selected Thursday.

Judge Lance A. Ito of Superior Court said Wednesday that he now wanted 15 alternates, instead of 8.

■ Multiple Killers Theory  
Kenneth B. Noble of The New

York Times reported from Los Angeles:

Outlining what is expected to become a central defense theory in the case, a defense lawyer has said that two or more people were involved in the slayings of Nicole Brown Simpson and Ronald L. Goldman and that Mr. Simpson did not have to solve the crime in order to prove his innocence.

"Are any of you going to require Simpson and his lawyers to solve these killings and identify the real killers?" the lawyer, Johnnie L. Cochran Jr., asked potential jurors Wednesday. Answering his own question, he said, "You understand, that's not our job."

Later, he added, "two or three or four people, whoever,

were involved in this particular crime."

Marcia Clark, the lead prosecutor, countered Mr. Cochran's comments about the killings, admonishing prospective jurors to ignore "oddball" theories.

"I've even heard that Ronald and Nicole aren't dead," Ms. Clark said. "The next thing, you'll hear is that space aliens did it."

## Crash Evidence Hints That an Old Problem Was Never Fixed

By Don Phillips  
Washington Post Service

ROSELAWN, Indiana — Officials investigating the crash of a commuter plane said that the aircraft, flying in conditions that produced a significant ice buildup on at least one other plane, rolled sharply to the right at 9,400 feet and turned upside down into a deadly plunge.

Preliminary information from the flight data recorder recovered from the crash of the Chicago-bound American Eagle flight on Monday, which killed all 68 aboard, raises the possibility

that the twin-turboprop ATR-72 may have the same problem with ice on control surfaces that the Federal Aviation Administration and the manufacturer intended to correct in all ATR aircraft.

The National Transportation Safety Board's chairman, Jim Hall, refused to speculate on a cause for the crash, and investigators still must track down thousands of clues that could indicate other causes. But Mr. Hall's description of Flight 4184's last moments was similar to a near-crash in 1988 in Wisconsin that led to changes in the ATR's wing the next year.

Mr. Hall said that as the plane descended from 10,000 feet (3,000 meters), an "abnormal event" occurred. There was a "rapid deflection" of the ailerons, flat movable surfaces on the rear of wings that control turns. That caused the plane to roll sharply to the right.

The plane recovered somewhat, but then the ailerons again deflected rapidly. "It then rolled over on its back and a recovery was not accomplished," Mr. Hall said.

On Dec. 22, 1988, in central Wisconsin, an ATR-42 stalled under similar circumstances, but

the crew recovered. In 1989, the Federal Aviation Administration, acting on safety board recommendations, prohibited the use of the plane's autopilot in icing conditions until special devices could be installed on wings to deflect air in a way that prevented ice buildup.

The problem was ice buildup on the ailerons, which caused them to deflect suddenly. That would automatically cut off the autopilot, leaving the crew facing a sudden and unexpected emergency recovery. Mr. Hall said the autopilot was engaged on Flight 4184, but went off after the sudden deflection.

## Preventing AIDS in Babies Opens Debate on Mandatory Testing

By Gloria Kolata  
New York Times Service

NEW YORK — A finding that it is possible to prevent most cases of AIDS in babies has opened a heated debate over mandatory AIDS testing.

The problem is that to prevent AIDS in a child, infected women must take a powerful AIDS drug while they are pregnant. And that means identifying pregnant women who, often without knowing it, are infected with the AIDS virus.

The finding arose from a U.S. study whose results were so stunning that it was halted prematurely, and its results were announced in February, to great fanfare. They are being published Friday in The New England Journal of Medicine, along with two editorials that raise ethical questions about how to put the discovery into practice.

In the study, which involved 477 pregnant women infected with HIV, the virus that causes

AIDS, half were given the AIDS drug AZT and the other half received a dummy drug. The investigators found that just 8.3 percent of the babies born to women who took AZT were infected with the virus. In contrast, 25.5 percent of the babies born to women who took the dummy drug were infected.

Federal health officials estimate that 1,000 to 2,000 HIV-infected babies are born in the United States each year.

Until now, proposals for

mandatory AIDS testing were

quashed by those who said that forced testing violated peoples' civil rights. A fractions argument last year in the New York state legislature over whether doctors should be required to notify parents of the results of HIV tests of newborns, ended without requiring such disclosure.

Like many states, New York conducts anonymous HIV testing of infants to track

the epidemic, but parents cannot learn the results, even if they wish to.

The new editorials in the journal recommend that HIV testing of pregnant women be encouraged, but that it should be voluntary.

Dr. Ronald Bayer, an ethicist and professor of public health at the Columbia University School of Public Health, and the author of one of the editorials,

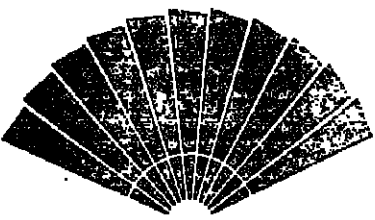
said in an interview that the very thought that the study's results could open a door to mandatory testing had deeply disturbed many advocates for people with AIDS.

"This is a real issue," said Dr. Harold W. Jaffe, who directs AIDS research at the U.S. Centers for Disease Control and Prevention and who wrote the other editorial with a colleague, Dr. Martha F. Rogers.

PLEASE NOTE OUR NEW RESERVATION NUMBERS

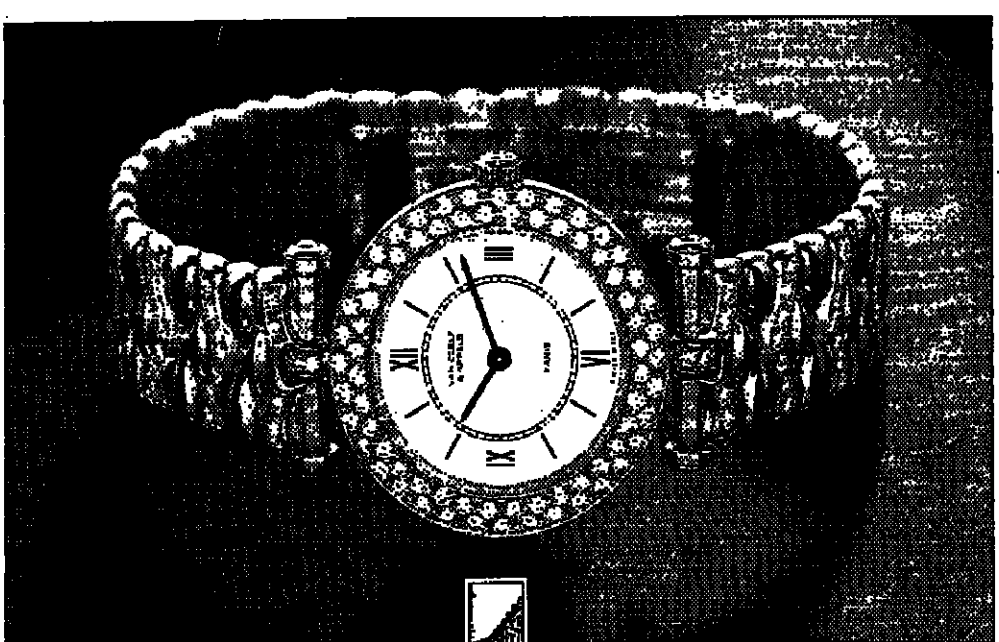
### Where to find the World's Finest Hotels and Resorts.

The Oriental, Bangkok  
Mandarin Oriental, Hong Kong  
Mandarin Oriental, Jakarta  
The Ritz, London  
Mandarin Oriental, Macau  
Mandarin Oriental, Manila  
Mandarin Oriental, San Francisco  
The Oriental, Singapore  
Baan Taling Ngam, Thailand  
Phuket Yacht Club, Thailand  
Hotel Bela Vista, Macau



MANDARIN ORIENTAL  
THE HOTEL GROUP

The Excelsior Hong Kong  
UK 0800 96 26 67 (toll free)  
France 0930 76 97 (toll free) • Germany 0130 81 40 61 (toll free) • Spain 900 99 32 67 (toll free)  
The World's Finest Hotels, United International, or your travel professional.



### Van Cleef & Arpels

PARIS, GENEVE, BRUXELLES, CANNES, MONTE CARLO, MILANO, ROMA, BEVERLY HILLS, HONOLULU, NEW YORK, PALM BEACH, OSAKA, TOKYO, HONG KONG, SEOUL, SINGAPORE



# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Now a Net Outflow

While the shift is small so far, it is an important signal — and a warning. This year the flow of investment income into the United States has reversed. Now the American economy has begun to pay out more in earnings on foreign investments at home, and on the country's huge accumulation of foreign debt, than it is earning on American investments abroad. It's the cost of running those big trade deficits year after year. They are being financed by foreign capital, and, like any debtor country, the United States has to pay for the use of the money. This year's turnaround carries a symbolism that reaches beyond the merely financial.

In the 19th century, capital poured into the United States from Europe to build canals, factories and railroads. A steady stream of earnings went eastward across the Atlantic to repay the investors. That pattern changed abruptly in 1915, as Europeans desperately liquidated their overseas holdings to pay for World War I — and as Americans' foreign investments rapidly rose.

In that year the net balance of foreign earnings turned in favor of the United States — a marker, along with many others, of the country's emergence as the world's leading economic power.

The balance continued to favor Ameri-

ca for nearly 80 years, until last winter. At its peak, in 1981, it brought \$33 billion to America — a substantial contribution to American prosperity. But then the Reagan administration opened the era of the big budget deficits, which have depended on foreign financing. Private businesses and individuals went on similar binges of borrowing, similarly supported by foreign money. The payments of interest and dividends abroad have increasingly offset the foreign investment earnings coming into the country. Last year the net inflow was down to \$4 billion. In the first half of this year, the net was an outflow of nearly \$3 billion.

What is wrong with that? Note that the American economy is now borrowing abroad to pay interest on its earlier foreign borrowings. That is no healthier for a country than it is for a business or a household. And how long can it go on? As long as foreigners are willing to lend. If and when their willingness diminishes, you will see it in higher interest rates. Should that happen, Americans would, as the economists say, have to adjust. That, as the Latin American debtor countries can testify, means a lower standard of living. The longer the foreign deficits pile up, the harder that adjustment will be.

— THE WASHINGTON POST.

## Rethink Intelligence

It is now clear beyond doubt that Aldrich Ames turned the old Cold War game of spy versus spy into a total rout in the Soviet favor. According to a Senate intelligence committee report, Mr. Ames managed to betray most U.S. and allied espionage operations in the Soviet Union from 1985 on. His treachery resulted in the exposure and rolling up of more than 100 spy operations, the "loss of virtually all of CIA's intelligence assets targeted at the Soviet Union," the deaths of at least a dozen prized Soviet agents and the exposure of other Soviet agents who were then forced to feed false information back to Western intelligence.

That the CIA allowed a booby bumber like Aldrich Ames to gain extensive access to its espionage networks and to elude detection despite his brazenly sloppy practices is and will forever remain a monument to bureaucratic incompetence. In the committee's words: "gross negligence."

It would only deepen the tragedy if larger questions got lost in the uproar over Mr. Ames. There is, for example, the question of accountability. CIA Director James Woolsey has merely reprimanded the officials responsible for the Ames debacle. There were more serious penalties available to him, and he should have imposed them. The director seemed oblivious to the message that his tender treatment of his department's bunglers sent to future generations of CIA managers. The committee calls Mr. Woolsey's response "seriously inadequate."

Those words apply equally to the

quality of the agency's intelligence during the final stages of the Cold War. It grossly underestimated the Soviet Union's economic problems during the 1980s and failed completely to anticipate its collapse, raising the question of what real value the country had been getting from all those spies in the years before Mr. Ames exposed them.

There are more recent instances of spying gone awry. In Haiti, the leader of the FRAPH, a notorious gang of anti-Aristide thugs, was a spy on the CIA payroll. The gang handed the Clinton administration its most embarrassing setback when it created a disturbance that prevented U.S. troops from disembarking at Port-au-Prince. The CIA man in the gang reportedly had informed the agency of the plan. What happened to that information?

The agency recently increased its investment in spying. One has to wonder, in view of the sorry historical record, whether this is an intelligent use of the taxpayers' money, and whether there are not more effective ways to gather intelligence in the post-Cold War world.

If people ask the right questions, some good might still come of the disastrous treachery of a senior operative who, in the intelligence committee's words, "caused more damage to the national security of the United States than any [other] spy in the history of the CIA." A thorough congressional evaluation of the past performance and future mission of the entire intelligence establishment would be a good place to begin.

— THE NEW YORK TIMES.

## Other Comment

### Casablanca: A Summit of Hope

All and nothing at the same time. Great plans for economic reconstruction and an absence of decision on the ground. These were the results of the Casablanca summit of Israel and the Arab states closest to Washington.

The Casablanca declaration is definitively a magnificent proposition. It is still not the first step of something real, but every objective needs propositions. And these have been provided in Casablanca.

— El Pais (Madrid).

Talking about regional economic cooperation between the countries of the Middle East and North Africa is one thing, achieving it is another. So the Casablanca summit is an expression of hope, at most a first step in the direction of creating a large trading and investment area which will stretch from the Atlantic to the Gulf without, however, becoming anything like a close-knit community in the foreseeable future.

What happened at Casablanca was that plenty of business cards were exchanged and a lot of joint venture proposals were talked about between the participants numbering more than 2,500 businessmen and politicians, not only from the region but also the United States, Europe and the Far East. The three-day meeting was really a "getting to know you" occasion and a unique bazaar for talking business within a regional framework.

— Gulf News (Dubai).

Agreements on projects amounting to billions were not expected from the Casablanca conference. Such things do not happen overnight. The new vision of the

Middle East may become a reality maybe two or three generations from now. Real peace has yet to be attained in the region.

Many Arab countries face internal restlessness and instability, and for some, there is even terrorism to deal with. Under these circumstances, foreign investors hoping to finance big development projects would obviously hesitate to act.

Many countries lack proper infrastructure and the private sector is flimsy. Some don't have the money. Countries in the Middle East and North Africa do not yet have a tradition of close trade and economic ties. The Casablanca summit leaves the impression that countries that were once foes now realize their real interests lie in striving for a peaceful and wealthy Middle East. Even that is enough to point to the historical importance of the Casablanca conference.

— Milliyet (Istanbul).

### Demand Safety First in Russia

Western companies doing business in Russia should insist that adequate environmental safeguards be a part of any deal struck there for Western help in such industries as mining, timber and petroleum. Western governments need to reinforce that idea at every opportunity, as disclosures of nuclear contamination in the former Soviet Union have shown. (Now, a disastrous oil spill in the Russian Arctic may be eight times as large as the 11 million gallons spilled from the Exxon Valdez.) American companies operating in Russia can and should help produce minerals, if for no other reason than because there's money to be made as well in providing the safety technology.

— The Oregonian (Portland).

# For Israelis, Maybe the Jordan Treaty Is Good News

By Abraham Rabinovich

JERUSALEM — Israelis might be forgiven for resisting euphoria over the peace treaty signed last week with Jordan. Even if the treaty had been chiseled in granite, they would have had the nagging thoughts, generally unspoken, that made their almost unanimous acclaim of the agreement more cerebral than emotional.

Israelis understand that the landmark victory they have achieved after half a century of struggle is provisional. They have won formal Arab acceptance — no small thing — of their presence in the heart of the Middle East, but not by persuading Arabs of the historical merits of Israel's cause.

What the Arabs have been persuaded of is that they cannot now defeat Israel and that it is in their interest to shelve the war option and come to terms with the Jewish state.

The basic Arab grudge remains. Grudges, like war options, have long shelf lives, and in the Middle East the long run is measured in centuries, not decades. The Arabs continue to see Israel as an alien intrusion, a colonial body that has taken Arab land by force and grievously wounded Arab pride.

Feelings as deep as these are not overcome by signatures on a peace treaty or by argument. Nor is the passage of time itself a certain healer. What may change perceptions is the dynamic that the peace treaty has set in motion.

The Casablanca conference, which brought together more than 2,500 businessmen and political leaders this past weekend in an attempt to ignite the economic development of the Middle East and North Africa (a conference in whose concept Israeli Foreign Minister Shimon Peres played a major role), has been a possible indication of things to come. The energy and imagination that have enabled Israel to survive in the face of enormous odds can be transformed into a driving force for the entire region.

Arabs already see danger in Israel's robust pursuit of the economic opportunities opening up — danger of becoming victims of economic colonialism. Many in the Arab world will view with ambivalence if not hostility the modernity that Israel might help usher in, seeing it as a threat to deep cultural values.

Nevertheless, it is possible to envisage that in the course of time familiarity will make Israel seem a more natural part of the region to the Arabs and even a positive factor. In addition to its potential economic contribution, Israel's modern medical facilities, already used by wealthy Muslims from abroad, and its institutions of higher learning might serve as bridges to the Arab world.

As the Arab countries undergo periodic political realignments in the future, it will be interesting to see whether there are attempts by competing camps to lose Israel.

Israelis, for their part, are sobered by the thought that the shattering of the walls around them will make it harder to continue picturing themselves as a European society in a warm climate rather than an integral part of the Levant. There is fear that the tautness of a Western mindset could give way in the absence of adversity to Oriental fancy. There is also fear that loss of Israel's technological and military edge down the line might signal to the Arabs a dangerous weakness.

Arab leaders have expressed concern at the prospect of masses of Israeli tourists, an uninhibited tribe, descending

upon them. Israelis express similar concern about inundation by masses of Arabs galloping in from the desert with Visa cards and overrunning already crowded beach resorts.

Even in the short term, the peace treaty with Jordan and the interim agreement with the Palestinians seem tenuous to Israelis. Israeli journalists, permitted to operate for the first time from Amman, report widespread reluctance among Jordanian citizens to accept peace with their longtime Zionist foe. As for the Palestinians, the handshake between Yitzhak Rabin and Yasser Arafat has not diminished the zeal of fundamentalist suicide bombers.

All this is not to dismiss the value of the peace treaty with Jordan, which has opened up exciting possibilities, but to note the uncertain terrain ahead.

There is no lingering sunset into which Middle East peacekeepers ride, a place of happy-ever-after. The sun sets quickly in this region, and it is forever rising on a new day filled with the unexpected.

Mr. Rabinovich, a reporter for The Jerusalem Post, contributed this comment to the International Herald Tribune.

# Egypt: A Friend of Washington's Shouldn't Be Dallying With Tripoli

By Jim Hoagland

WASHINGTON — The United States gives Egypt \$2 billion a year in aid, large amounts of military equipment and strong political support. Washington needs to give Cairo one more item: a blunt warning to drop a pact with the devil that President Hosni Mubarak has forged with Libya's Moammar Gadhafi.

Egypt abuses its privileged position with the United States by trying to get Colonel Gadhafi off the hook for Libyan involvement in terrorism against Americans. Mr. Mubarak has also turned a blind eye to the kidnapping of Libyan opposition figures on Egyptian soil and to the breaking of United Nations sanctions by Egyptians smuggling goods into Libya.

To its credit, the Clinton administration has rebuked the Egyptians on sanctions violations. U.S. officials traveling with President Bill Clinton on his Middle East trip last week privately demanded in Cairo that Egypt shut off the flow of aircraft parts and other prohibited goods that Libya now gets through Egypt.

Stressing that the Egyptians quickly agreed to cooperate, U.S. officials were reluctant to discuss the U.S. complaint to Cairo. Quiet diplomacy, they argued, is more effective than a public row. "This is a disagreement among friends that is being cleared up," said one official. "It is not a crisis in the relationship."

But Washington will have to be more involved and more forceful than that if it is to pry Mr. Mubarak and Colonel Gadhafi apart. The links run deeper and are more devious than U.S. officials believe. And these links ultimately threaten both Egyptian and American interests. What is at stake here is not whether to help Mr. Mubarak survive, but how.

The United States has many reasons to back him. One is the violent and repressive nature of the Islamic fundamentalists who are trying to overthrow him. Another is his sustained support for Arab peace with Israel.

But the United States must give Mr. Mubarak frank advice when he creates or tolerates dangerous situations for himself and his allies. He does that with Colonel Gadhafi, who seems to have pen-

etrated Mr. Mubarak's inner circle with money, promises of protection and threats of retaliation if the Egyptians displease him.

After 12 years in power, Mr. Mubarak's regime is tired. A former air force general, he has cracked down ruthlessly and effectively against the Islamic zealots who have been murdering Egyptians (including Anwar Sadat) and foreign visitors in the name of Allah. But he has not raised a hand against a group that undermines public confidence in his government and creates fertile ground for the fundamentalists.

In Cairo's bazaar, they are known as the Gang of Sons. They are the wheeler and dealer adult offspring of a few senior figures in the regime. Two of the most prominently men-

tioned members of this group are Mr. Mubarak's sons.

The Gang of Sons' extensive network of foreign connections, and particularly its dealings with the Libyans, sets it apart from routine corruption suspicions in the Middle East. Colonel Gadhafi's state-controlled banks and factories have granted sweetheart deals on hotel purchases and a monopoly on steel imports into Egypt to the Gang of Sons, according to Libyan exile sources who have provided reliable information in the past and who give minutely detailed accounts of the present Egyptian-Libyan deals.

Colonel Gadhafi can also bring pressure to bear on Egypt via the 300,000-plus Egyptian peasants who work in Libya and send home their earnings. And the

Libyan has promised that his security agents will help in Egypt's campaign against the fundamentalists, Cairo newspapers reported this summer.

That agreement helps explain Mr. Mubarak's obsessive interest in whitewashing the role that Colonel Gadhafi's security services played in the bombing of Pan Am Flight 103, in which 189 Americans died in December 1988. Colonel Gadhafi has refused U.S. demands that two of his agents be turned over for trial in Scotland, the scene of the blast. This refusal triggered United Nations sanctions against Libya.

In his attempts to get the sanctions removed, Colonel Gadhafi has used the Egyptians, American lawyers and publicists to float flimsy proposals for trials in environments more friendly to Libya and for dubious pay-

offs for the victims' families.

The Egyptian president has demeaned his office by refusing to pursue a serious investigation of the disappearance in Cairo last December of Mansour Kikhaia, a leading Libyan dissident and a resident of the United States. Mr. Mubarak said in an Egyptian newspaper interview that Mr. Kikhaia did not inform Egyptian officials of his Cairo visit or ask for protection, statements that Mr. Kikhaia's wife and others say are demonstrably false.

Mr. Mubarak should not subscribe to Libya's protection and profiteering racket. He seems to be doing fairly well against his declared enemies. But, as is often true in life, it is his "friends" and perhaps even family who can do him the most damage, because it is least expected.

The Washington Post.

# Bosnia: People Get Fed When Providers Are Neutral

By Hannu Vuori

ZAGREB, Croatia — The war in Bosnia continues to generate extensive and often heated controversy over the mediation strategy being pursued by the international community. With the crisis entering its third winter and no political resolution in sight, there are growing pressures for a tougher approach that would punish aggression and perhaps force an end to the conflict.

But one central fact must not be obscured or slighted in this debate. Despite vicious fighting and cynical obstructionism, the United Nations' policy of working evenhandedly with all sides in Bosnia has succeeded in preventing serious hunger and sustaining the basic health of the population. That is a remarkable achievement, which has saved thousands of lives. It will be imperiled if peacekeeping gives way to escalating confrontation.

As part of its mandate in the former Yugoslavia, the World Health Organization has regularly monitored the nutritional status of Bosnians in order to ensure that food aid is distributed equitably and in quantities sufficient to meet basic needs. During 1993 and 1994, the agency conducted

surveys in four major cities — Sarajevo, Tuzla, Zenica and Bihać — to collect primary data on a variety of nutritional indicators.

These sites were selected because of their large concentrations of displaced people and the continual problems of accessibility caused by besieging forces. Two factors that would make them especially vulnerable to famine. While the survey results cannot be generalized to the entire country, they clearly indicate that widespread undernutrition has been avoided, even during the harshest winter months.

Among 2,259 children and 2,181 women sampled in mid-1993, WHO detected no significant signs of either protein-energy malnutrition or micronutrient deficiency. These findings were confirmed this past May by a series of follow-up surveys. Some weight loss was observed, but average nutritional status remained within normal limits throughout the winter and spring.

Even in east Mostar, where residents lived in basements enduring merciless artillery bombardments, and aid convoys were

blocked for many months, a survey last March that used methodology similar to WHO's found no serious indications of undernutrition among mothers and children.

The situation showed the complexity of survival in Bosnia, in which local farm production, home gardens, black marketeering and the sheer hardness of the population all form parts of the equation. In many areas and instances, however, relief aid has been absolutely decisive.

Not only have Bosnians survived better than most expected, there is evidence to suggest that their average nutritional health has quite possibly improved during the past two years. This is not to underestimate in any way the horrific suffering that the war has exacted on the population of Bosnia. It is merely to state what appears to be medical fact.

Although a precise picture of the epidemiology of obesity, cardiovascular disease and diabetes never existed in Bosnia, these were recognized as important diet-related causes of morbidity and mortality in the prewar period. The "enforced health" of relief aid food has eliminated excess weight and sharply reduced the consumption of harmful fats, while at the same time maintaining essential vitamins and mineral levels.

Some of the beneficial impacts of this wartime diet have already been observed in noninsulin diabetes patients, many of whom have substantially reduced their normal medication since mid-1992. WHO has recently commissioned a new project on diabetes in Sarajevo to study the phenomenon in greater detail.

The data on anemia are less clear, and somewhat contradictory. A survey in Sarajevo initially showed a fairly low prevalence rate. But when more sophisticated instruments were used in a later study, more than 36 percent of the samples were found to be anemic according to standard indices.

Another potential nutritional

problem is the indiscriminate use of infant formula, which can create unnecessary dependency on aid handouts. Breast-feeding was in decline in Bosnia before the war, but the distribution of breast-milk substitutes by relief agencies may have had a compounding negative effect. WHO is encouraging breast-feeding as a means to improve hygiene and prevent anemia among young children.

Food, of course, is only the major element of the international aid program in Bosnia. Tons of medical supplies and equipment also flow into the country every week, enabling scores of hospitals and clinics to maintain services that otherwise would have shut down long ago. WHO alone provides 18 different medical "kits," ranging from bandaging and first aid to one that contains a full range of supplies for clinical microbiological laboratories.

As with food, however, distribution of these vital supplies will continue to depend almost entirely upon the goodwill and cooperation of all the parties, and on the neutrality of the aid givers.

Blockages and delays will undoubtedly remain a part of the daily routine, and international patience will continue to be exercised. But for all that, the humanitarian relief effort has fulfilled its appointed task of feeding and caring for Bosnians.

Hopefully, the generals and politicians will find a solution that preserves that achievement before it is too late.

Dr. Vuori is the World Health Organization's special representative for the former Yugoslavia. He contributed this comment to the International Herald Tribune.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

# Here Comes U.S. Liberals' Last Stand

By William Safire

WASHINGTON — When a desperate president decries his office by trying to frighten elderly voters with a rebuffed old lie — that the heartless Republicans must secretly plan to slash Social Security benefits — you know that the liberal philosophy is on the brink of electoral disaster.

When in deep trouble, peripatetic myths. Here are a few that are flying around the coming rejection of the leftist "Clinton Congress."

Myth No. 1. Anti-incumbent fever is sweeping the land and there just happen to be more Democratic incumbents.

On a summer's night many decades ago, at the triumphal Carnegie Hall debut of the violin prodigy Yehudi Menuhin, the violinist Mischa Elman said to the pianist Arthur Schnitzler, "Hot in here, isn't it?" To which Mr. Schnitzler replied, "Not for pianists."

It's not hot for Republican incumbents. Of Republican senators up for re-election, I anticipate no defeats; of Democratic senatorial incumbents, at least seven are likely to be ousted by the votes of the divinely discontented. It ain't the incumbency, it's the tax-and-spend mind-set that will be rejected at the polls.

Myth No. 2. Voters have turned irrational, refusing to tax themselves for what they want, "demanding the bacon and complaining about the pork."

That's the old Jimmy Carter, blame-the-public "malaise" bit. The truth is that a growing number of voters think that government at all levels is spending

their money unwisely and are upset about being taxed to the gills to redistribute income. Unsurprisingly, they believe that the only way to cut the rate of spending increases is to cut the rate of taxation; rationally, they have decided that fear of deficits is the only discipline that works on legislators.

Myth No. 3. Clinton Democrats are not getting credit for reducing the budget deficit, as skinflints have long been demanding.

Two-fifths of the claimed drop in the 1995 budget deficit comes from the sale this year of S&L assets that the government was forced to buy in past years. As projections for the sale of these assets goes up, the deficit comes down — having nothing to do with Clinton economic policy. The president whose Whitewater dealing was the sort that helped put an S&L under is claiming credit for the sale of S&L assets that our deposit insurance ran up red ink buying.

Myth No. 4. Republicans are criticizing each other already, and the coming majority is doomed to disarray.

When Republican mayors wander off the reservation to support state Democrats, that is budgetary payoff time; when wives and widows of past officeholders snipe at present candidates, that is a one-day filler; but when party figures disagree publicly on matters of policy, that is a sign of party vigor and strength.

Contrast the open Republi-

can debate about aid to illegal immigrants with the Democrats' lockstep march toward a phony illusion of toughness on crime and welfare. Watch the few non-attack ads run by liberal candidates: see them climb into sheriff's cars to point with pride at new prisons, declaim against child molesters and welfare as we know it, tacitly acknowledging that costly compassion has gone out of style. Democrats are suddenly together — pretending to be conservatives.

Myth No. 5. A Democratic "surge" in the final week will trim their expected losses to such an extent that the '94 results will be spinmastered into a kind of Clinton victory.

Surge, shurme — races almost always get closer at the end, and there is a three-point polling bias for Democrats in midterms because of low turnout. But here is a curiosity of campaigning: If six Senate races are squeakers, the likelihood is that they won't average out and split three and three, but will go mostly one way or the other — in my estimation, to the right.

If the surge notion takes hold, however, that is good. Not only will it energize the horde of overtaxed and underestimated Forgotten People to descend on the polls, the myth will make smug the Democratic precinct captains and chip off the bloc votes.

Then confident liberal candidates will make the apocryphal mistake of General George Custer, who squinted up at a ridge at Little Big Horn and supposedly said, "Those look like friendly Indians."

The New York Times.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1894: Canals on Mars

PARIS — The planet Mars has recently passed very near earth, and has given an opportunity for fresh observations which absolutely confirm all the deductions drawn of late years concerning the strange planet. The result of this summer's observations has been to confirm the analogy between the climate of Mars and that of earth, and to show once more the surprising system of canals which covers its continents. The latest observations give good cause to believe that Mars is inhabited.

### 1919: Sober Assessment

PARIS — [The Herald says in an editorial:] Prohibition has had the paradoxical effect of serving in a twofold way, as a stimulant. In the first place, it has made drinking popular. No one in the swim — the term is strictly appro-

priate — now thinks of going to a dinner party unprovided with "the stuff" that cheers. It is in the invention and ornamentation of travelling wine-cellars that the stimulating effects are seen in their secondary aspect. But for prohibition the "cocktail bag" and the "Scotch pocket" would never have been called into existence.

### 1944: Post to France

WASHINGTON — [From our New York edition:] This country lifted its ban on free exchange of business and personal information with France today [Nov. 3], as a preliminary step toward reopening trade with that nation. Five-cent postal service will be started tomorrow, said the Post Office Department. The United States, in co-ordination with the British Empire, officially removed liberated areas of France from the category of "enemy territory."

**International Herald Tribune**  
ESTABLISHED 1887  
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER  
Co-Chairmen  
RICHARD McCLEAN, Publisher & Chief Executive  
JOHN VINOCUR, Executive Editor & Vice President  
• WALTER WELLS, News Editor • SAMUEL A. KATZ, Managing Editor  
• CHARLES MITCHELL, Deputy Editor • CARL GEWIRTZ, Associate Editor  
• ROBERT J. DONAHUE, Editor of the Editorial Pages • JONATHAN GAGE, Business and Finance Editor  
• RENÉ BONDY, Deputy Publisher • JAMES McLEOD, Advertising Director  
• JUANITA CASPARI, International Development Director • ROBERT FARRÉ, Circulation Director, Europe  
Directeur de la Publication: Richard D. Simmons  
Directeur Adjoint de la Publication: Katharine P. Dwyer  
International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.  
Tel.: (1) 46.37.93.00. Fax: Cte, 46.37.16.51. Adv., 46.37.52.12. Internet: IHT@euronline  
Editor for Asia: Michael Richardson, 5 Conventry Rd., Singapore 0511. Tel. (65) 472-7788. Fax: (65) 274-2334  
Herald Tribune, 300 Madison Ave., New York, N.Y. 10017. Tel. (212) 422-1100. Fax: (212) 422-1100  
Gen. Mgr. Germany: T. Schiller, Postfach 15, 60221 Frankfurt. Tel. (49) 21 47 35. Fax: (49) 21 47 36 10  
Pres. U.S.: Michael Owens, 180 Third Ave., New York, N.Y. 10003. Tel. (212) 753-8900. Fax: (212) 753-8901  
U.K. Advertising Office: 61 Long Acre, London WC2E. Tel. (071) 334-4802. Fax: (071) 334-2254  
S.A. au capital de 1.200.000 F. RCS Nanterre B 73202126. Commission Paritaire No. 61337  
© 1994, International Herald Tribune. All rights reserved. ISSN: 0244-8022



OPINION

# Beware the Phony Populists

By E. J. Dionne Jr.

WASHINGTON — It is popular in America these days to attack "victimology," the habit of every group to claim victim status and thereby deny personal responsibility for anything. The attack on victimology is sometimes mean-spirited, an attempt to deny relief even to those who actually are victims of discrimination or injustice.

But the impulse behind the anti-victimology movement is basically right. It is condemning to define anyone primarily as a victim. It is a way of denying people the ability to take responsibility for themselves.

The anti-victimology campaign crosses ideological lines, but it is especially popular on the right. So it may come as something of a surprise that in the 1994 elections, it is primarily Republicans of the right — with some exceptions that I'll get to — who are practicing the politics of victimology.

They are assigning victim status not to this group or that, but to the entire American public. The people are cast as the victims of big spending, big taxes, big government, Bill Clinton, bureaucrats, incumbents, "Washington," "social engineering," and out-of-control programs, among other things.

It's breathtaking. You would imagine that the United States has not had a free election for half a century. You wouldn't know that the Republicans controlled the White House for 20 of the last 26 years. And you would have no idea that the bulk of federal "big government" spending — on Medicare, Social Security and defense — is so popular that the Republicans are criticizing the Democrats for allegedly harboring secret plans to cut the first two, and for not spending enough on the third.

There is nothing novel about the out-party holding the in-party responsible for everything that is wrong. But the anti-government screeds of 1994 are more far-reaching than the usual out-party campaign. The assertion is not just that the incumbents the voters elected the last time have pursued the wrong

policies. Rather, the voters are being told that government itself is an alien creature. This is not just Reagan-style anti-government rhetoric, either. His approach, after all, was optimistic. The new kind of anti-government campaign has a sinister implication: that "the government in Washington" has become an infernal machine which runs without any input from voters. Voters therefore are not responsible for anything.

They don't need to make any choices about the kind of government they want. All that is required is a few quick fixes to "return government to the people."

Want a balanced budget? Voters don't have to think about how we got here. They don't have to sit down and decide whether they want to cut Social Security, Medicare and the weather service, or whether they would prefer to raise taxes. All you need is an amendment to the constitution requiring a balanced budget. Zap! That'll take care of things.

Are voters mad because the same people keep winning elections? Let's not get into something complicated (and realistic) like changing a campaign financing system rigged in favor of incumbents. No, all we need is term limits. Then you don't have to decide which incumbent is worth re-electing and which should be sent to retirement at some lobbying firm. Out with them all, and don't worry if you just end up replacing one generation of career politicians with another.

It is especially laughable that term limits are being pushed by members of Congress who have been here 16, 20, 30 years. Think of it: Many incumbents are trying to extend their tenure by promising term limits. And you wonder why voters are cynical? (A happy exception among Republicans is Representative Henry Hyde of Illinois. He is too honest to pretend that a 20-year House veteran seeking re-election believes in term limits.)

For good measure, criticize "bureaucracy" and overregulation, and don't mention that a lot of those regulations are designed to keep the air and water clean or workplaces safe. It will be said that criticizing currently



popular measures such as term limits and the balanced budget amendment is elitist and anti-populist. The opposite is true. What is elitist is to assume that the voters want to be told that they are not responsible and that they won't listen when a politician respects them enough to try to change their minds.

Sure, when voters are angry, they may cast ballots for panders and simplifiers. But the politicians people admire in the long haul are the ones who take them seriously. Look at Franklin Roosevelt's fireside chats for an example of a politician who did very well by not talking down to the voters.

Look also at the voters' ability to have second thoughts about California's nasty, anti-immigrant Proposition 187. It is losing support because non-panders such as Jack

# Private Talk, Public Talk: Still Too Loud All Around

By Ellen Goodman

WASHINGTON — I'm halfway to Deborah Tannen's office at Georgetown University when I realize that I'm late. My mind starts racing playfully down the pathways that Ms. Tannen has marked out in her linguistic mapmaking.

When I get there, should I say I'm sorry? Would "sorry" mark me by gender as surely as my extra X chromosome? Would my scowling merely be a female ritual expression of regret? Or a real gender-free apology?

By the time I get to her doorway, I untie my tongue of its burden by telling her my thought-process. As

for what you want. At work, he says what he thinks and expects her to do the same. She includes his feelings in what she says and expects him to do the same. These expectations are often disappointed.

It's not that one style is better than the other. Ms. Tannen quickly insists, though any woman who's constantly interrupted when speaking may find it hard to be as non-judgmental. Yet the stories in this book suggest that when women look out for everybody and men look out for themselves, there are real repercussions. The "female style" keeps the business running smoothly. The "male style" gets you ahead. One makes for a happier ship. The other gets to be captain.

Ms. Tannen has followed us from our homes into our workplaces. But this year we are as frustrated with the public dialogue. Reading her book about private talk, I cannot help wondering about how we talk in the public arena. In the media. In politics. Maybe we don't need an anthropologist to describe the current language of public discourse. It's polarized, angry, accusatory, confrontational. Not a discussion — but an argument.

It's not a coincidence that there's no female Rush Limbaugh. Or that fewer women call in to the talk radio shows that have set the political agenda. This "conversational style" to use the term loosely, turns many off, especially women. As Ms. Tannen worries, "It's another way that women are disenfranchised."

As for politics? In 1992, there was much talk of the female difference. But in 1994, the entire public style has become what Ms. Tannen would describe as the male style.

In this year of the attack ad, every campaign has become a confrontation. Men and women who want to succeed in politics talk "who's up/who's down." A debate on television is no place to save face for the other guy.

But governing, like business, may work best with people who can accommodate, take the other point of view into account, think of "us," not just "me." The real stylistic clash may be between the successful candidate and the effective legislator.

With some help from this linguist with a good ear and a facile style, we're building bridges across the gender gap of private talk. But one public talk has deteriorated into a yelling match. And yes, we ought to be sorry about that.

## MEANWHILE

she graciously joins in laughter, it occurs to me that my response to this woman isn't unique.

Deborah Tannen may be single-handedly responsible for making millions of American men and women self-conscious about their speech. Talking with her is like cooking for a restaurant critic. You assume that she isn't just eating, she's analyzing the ingredients. Awarding stars.

In 1990, this professor of linguistics set out to describe the communications gap between men and women to a country frustrated by "he said, she said" arguments. "You Just Don't Understand" topped the best-seller list because it promised that we actually could understand.

Her evenhanded approach tried to calm hostilities. What goes awry between men and women in private life, she suggested, "may be due to misunderstandings, not bad intentions."

Now she has brought that perspective to the workplace. Her new book, "Talking 9 To 5," is about "private talking in a public context."

Ms. Tannen is careful to say that there are not inherent or immutable gender differences. Nor is there a single pattern for all men or all women. She would rather speak of "conversational styles" or of cultures than of genders.

Still, as office anthropologist she hears men saying "I" and women saying "we." Men focusing on status — "who's up?" — and women focusing on connection. Men comfortable with confrontation and women preferring consensus.

"There really does seem to be a difference in male and female strategies," she says, sitting in her own modest office. "Women are always balancing what they want with what the other person wants. They are trying to save face for the other person. Men are saying, 'I go for what I want and I trust you to go

## LETTERS TO THE EDITOR

### Bosnia: European Proposal

As members of the European Parliament, we recently visited Sarajevo as an official delegation and held lengthy discussions with various officials, including President Alija Izetbegovic of Bosnia, among others, and came away with a very pessimistic assessment of the situation.

On returning to Strasbourg, we have tabled a recommendation to the European Council, which we hope the European Parliament may adopt. It comprises four points:

- Any further lifting of the sanctions against Serbia and Montenegro ought to be conditional on the recognition by the Belgrade government of

the Republic of Bosnia-Herzegovina and the Republic of Croatia within the borders that have already been established by the European Union and the United Nations.

- The siege of Sarajevo should be ended and free access should be ensured by the opening of at least one "corridor" under UN control and unwritten by NATO support.
- The policy of safe areas and exclusion zones should be made fully consistent, not only with the proposals set out in the peace plan, but also with the security of the population concerned. Such a policy implies free access to these areas for humanitarian operations and active prevention of, and reaction against, any further

aggressions against the safe havens.

- The international community should recognize that Bosnia-Herzegovina, like any sovereign state, has the right of self-defense as laid down in Article 51 of the UN Charter.

We believe that in the former Yugoslavia basic principles are at stake: the need to frustrate the use of force to obtain territorial changes; the need to reject policies of ethnic cleansing; the moral obligation for democracies to distinguish between aggressors and victims; the principles of multi-ethnic coexistence.

GIORGIO LA MALFA,  
JOSE MARIA MENDILUCE,  
DORIS PACK  
Strasbourg.

Roger Cohen's report "Culture Clash Among Bosnians" (Oct. 11) is disturbing, as it tends to confirm the fear that Bosnian Muslim leaders are moving inexorably toward creating an Islamic fundamentalist state.

The international community was railroaded by Germany into legitimizing the Bosnian Muslim claim to independence, based on a referendum that one-third of Bosnia-Herzegovina's population boycotted because of the fear of Islamic fundamentalism. It is revealing that both of the other Bosnian communities, the Serbs and the Croats, have sought to respond by assuming separate political identities within Bosnia, and by subtly endorsing

linkages with Serbia and Croatia.

The Bosnian Muslim leader, Haris Silajdzic, speaks with a liberal voice, but he has not repudiated the fundamentalist principles of his party's platform that cause unease among Bosnia's Serbs and Croats as well as in the international community.

The Bosnian Muslim president, Alija Izetbegovic, expounds on this ideological "blueprint" in his "Islamic Declaration." The most chilling of his prescriptions is that "there can be neither peace nor coexistence between the Islamic religion and non-Islamic social and political institutions."

VANITA SINGH,  
New Delhi.

## BOOKS

### WEDGE:

The Secret War Between The FBI and the CIA

By Mark Riebling. 563 pages. \$27.50. Knopf.

Reviewed by Richard Gid Powers

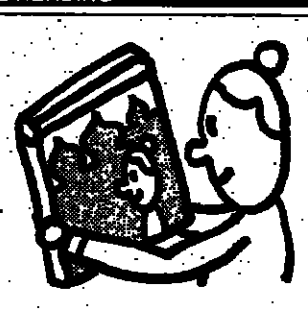
NOBODY in American history ever fought more viciously to protect bureaucratic turf than J. Edgar Hoover, which in no small measure was why he lasted as FBI director for 48 years. The idea of a rival organization to gather foreign intelligence was an outrage to Hoover. When such came to pass in the form of William B. Donovan's office of the "Coordinator of Intelligence" (the Office of Strategic Services during the war) and was then made permanent in 1947 as the Central Intelligence Agency, Hoover looked upon it with loathing and threw his considerable talents into battling it every step of the way.

It is Mark Riebling's thesis in "Wedge" that "the failure to solve [the conflict between the CIA and FBI] has damaged the national security and, to that extent, imperiled the Republic."

### WHAT THEY'RE READING

• Margot Hoerner, director of music at the Woodlynne School in Pennsylvania, is reading "Arrow of the Blue-Skinned God" by Jonah Blank.

"From the pointed hats in Sri Lanka to celebrations in Madras, it's a visual book — I feel like I've been to India. It is intriguing that the author wrote it when he was only 25 years old." (K. N. Oulter, IHT)



He supports this argument with a lively and engaging narrative of interagency bungling, infighting, malfeasance and nonfeasance in every well-known intelligence case in the history of the CIA and the FBI, providing fresh and well-rounded portraits of well-known and ought-to-be-well-known counterintelligence agents, drawing on scores of original and rewarding interviews.

But unfortunately, Riebling has taken his material and turned it into a series of "for the loss of a nail the war was lost" stories in which the missing nail is the lack of effective coordination between the CIA and FBI.

Riebling's first case study is that well-known chestnut of Pearl Harbor conspiracy theory, the old yarn about a double agent for the British and the Germans, Dusko Popov (nicknamed "Tricycle"), who showed up at the FBI in 1941 with a questionnaire the Germans had given him outlining the intelligence they wanted him to gather in America. As Riebling (following Popov and John Toland) tells the story, this was a "Pearl Harbor Questionnaire," and if a beighted J. Edgar Hoover had only done his job and trotted the thing over to Bill Donovan, the Pearl Harbor disaster could have been averted. But, as Gordon Prange demonstrated in his "Pearl Harbor: The Verdict of History," the Popov questionnaire was not exclusively or even mostly about Pearl Harbor — it was a general shopping list of information on many American installations.

Just as misguided and illogical is his thesis that the Kennedy assassination could have been prevented if the CIA had only passed on to the FBI the news that an official at the Soviet embassy in Mexico City who talked to Oswald shortly before the assassination was a KGB agent attached to Soviet death

squads. But the FBI was ignoring even stronger indications that Oswald was a strange, dangerous character, and the bureau's failure to pay attention to the obvious was such a dereliction of duty that for months it reduced J. Edgar Hoover to a slithering, raving maniac out to wreak vengeance on every agent who worked on the case.

Riebling fails to understand the signal/noise problem in intelligence post-mortems — that only after the fact can the signal (true information) be separated from the meaningless facts (noise).

Riebling does a nice job of guiding the reader through the Byzantine disagreements between the CIA and the FBI over the reliability of notable Soviet defectors, but his argument that interagency rivalries kept the government from reaching accurate analysis of their revelations begs the question: The true loyalty of these double agents was and is still fundamentally unknowable.

Popular culture may well believe that the underlying explanation for great public events is the devious machinations of secretive elites, but the world doesn't work that way. The real story in these superficially exciting revelations of official secrets is that there is no story — the squabbles between J. Edgar Hoover and Wild Bill Donovan's many successors do not explain the history of our times. As the old truism has it, what is amazing is not true, and what is true is not amazing.

Richard Gid Powers, the author of "Secrecy and Power: The Life of J. Edgar Hoover" and the forthcoming "Not Without Honor: The History of American Anticommunism," wrote this for The Washington Post.

## BRIDGE

By Alan Truscott

ON the diagramed deal Rory Timlin as South for Ireland played well in a contract of seven hearts, but the luck of the Irish ran out. He won the opening club lead, drew the missing trump and tested spades. When the second round showed that East guarded the suit, he had to hope for a squeeze.

He made the normal play of cashing the diamond ace and running all his hearts, hoping that East held the diamond king. In that case South would be sure to make a trick with either the diamond queen or the spade four. As it was, the grand slam failed by a trick.

In the replay, after the bidding shown, Gerald Careyelli drew a subtle inference that had not been available to Timlin after different bidding: West had passed smoothly over six hearts, showing no inclination to save in seven clubs. That suggested that he held a significant defensive card, which could only be the diamond king.

Careyelli therefore executed a ruse transfer squeeze. After entering his hand with a trump at the first trick, he led the diamond queen. This forced

West to cover with the king, and the ace won. Now the run of the trumps squeezed East, who was trying to hold the diamond jack and the spades.

This maneuver is seldom appropriate since it requires a specific placement of two opposing cards rather than one, but it was brilliant here, and the Irish lost 20 imps and, by a narrow margin, the match.

North and South were vulnerable.

The bidding: South West North  
Pass 1 2 4 4  
8 6 5 7  
9 4 7 7 3 2 4 4  
Pass

West led the club king.

INTERNATIONAL  
**Herald Tribune**  
LIVING IN THE U.S?  
NOW PRINTED IN  
NEW YORK  
FOR SAME DAY  
DELIVERY IN KEY CITIES  
TO SUBSCRIBE, CALL  
1-800-882-2884  
(IN NEW YORK, CALL 212-752-3890)

It hadn't been the easiest of assignments. But now I had the data and samples I wanted, and the weather was worsening. It was time to make a move.

Take me to the Hilton.

Wherever my job took me, the Hilton was

my first choice: no-one looked after me better. The prospect of a warm welcome and a hot bath was distinctly inviting.

Now, the only ice I wanted to see would be in a tall glass.

I could feel myself relaxing already.

**HILTON**  
Where you can be your self again.

HILTON INTERNATIONAL OPERATES OVER 100 HOTELS AROUND THE WORLD. FOR RESERVATIONS CONTACT YOUR TRAVEL AGENT, ANY HILTON HOTEL OR HILTON RESERVATIONS WORLDWIDE.



# A new breed of engine. The same breed of Saab.

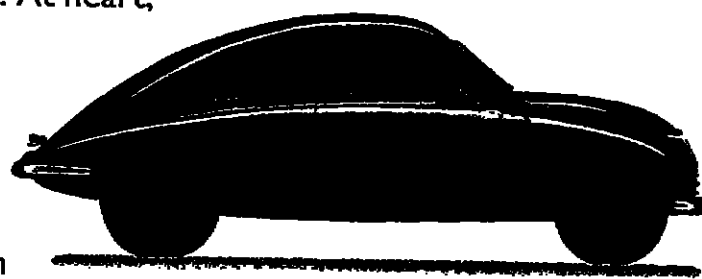
(Or proof that big can be beautiful, too.)

At Saab, we have a tradition of making powerful engines compact and efficient. That's why we've resisted the idea of simply increasing the size or amount of cylinders to add performance.

Consequently, the Saab view of the V6 engine has tended to be on the frosty side. But lately, there's been a perceptible thaw.

The reason is the development of a new kind of V6. The one you'll find in our new Saab 9000 CD saloon. This isn't an ordinary V6 engine. Any more than the 9000 CD is an ordinary car. It's the kind of car that's big in terms of space and performance and comfort but very modest in terms of weight and fuel consumption and engine emissions.

It's big. But it's not stupid. At heart, it's still a Saab.



THE FIRST SAAB, 1947.

## INNOVATIONS.

Consequently, we've given the Saab 9000 CD 3.0 V6 a number of technical innovations you don't normally see on a V6. A new three-step variable intake manifold that delivers consistent power throughout the rpm range. A Motronic engine management system that constantly monitors engine emissions. And TCS

(Traction Control System), a feature that significantly reduces wheelspin. They're the sort of features that do something useful without drawing attention to themselves. Very Saab.

## BIGGER ON THE INSIDE.

We tried to design the body on equally generous but practical lines. We made sure it gives you plenty of room for heads and legs and feet and bottoms and luggage (the Saab 9000 is one of the few European saloons classed as a large car in America). Yet it doesn't force you to take up unnecessary road space. It's one of those cars that seems a lot bigger inside than outside.

## LOW KEY.

It's the same with the fittings.

The 9000 CD is truly luxurious without banging on about it. You can have the

wood, the custom designed audio, the highly sophisticated alarm system, the natural glove leather. It even has reading lights in useful places. Yet it's all low key, unobtrusive, functional. It's not trying to make an impression. It's trying to make you feel comfortable.



## THE PERFECT PARTNER.

In spite of its size, the new 3.0 V6 engine is true to the basic Saab values. It's compact. It's efficient. It's environmentally friendly. Yet it gives you the superbly comfortable ride and smooth power surge of a true V6. It's the perfect partner to our turbo, supplying a different kind of motoring to a different kind of driver.

## FOR PERSONAL REASONS.

We know that everyone has their own reasons for choosing a Saab.

So if you're a V6 driver looking for some interesting twists on a familiar idea, consider taking a test drive. It might be interesting to experience this new breed of engine for yourself.



**SAAB**

FOR FURTHER INFORMATION, A TEST DRIVE OR DETAILS OF OUR INTERNATIONAL/DIPLOMAT SALES PROGRAMME CALL SAAB INFORMATION SERVICE ON +44-71 240 3033 OR FAX TO +44-71 240 6033.



# Introducing the new Saab 9000 CD 3.0 V6.

صبراً من الامل









Magnificent old buildings like the wedding-cake Fine Arts Palace near the city's central plaza have been renovated.

## Mexico City: The Past Is Present

By Anthony DePalma  
New York Times Service

**M**EXICO CITY — In a place as old as Mexico City, settled by the Aztecs in 1325, renewal is as constant as it is inevitable. While it is true that some changes brutally wipe away the past, others take a fine brush to the city's antiquity, adding new shades and meanings. Year after year, the most enduring city in North America not only grows older but also more intriguing.

Over the next two months, as one year ends and one more begins, Mexico City will be undergoing another physical and civic renovation, making this a good time to visit, if the smog isn't too bad. The end-of-the-year holidays also take many Mexicans away from home, leaving the biggest metropolitan area in the world a little less crowded and a bit more open for exploration.

Magnificent old buildings like the wedding-cake Fine Arts Palace near the city's central plaza have been renovated in such a way that they are more like the architects' original plans. Elegant new hotels like the Four Seasons on Paseo de la Reforma provide additional evidence that, despite recent political instability, Mexico City is becoming an international business center.

But for everything that stirs by its newness, there is a reminder of the city's storied history of Aztec warriors and Spanish conquistadors. Scarcely anything can be built without digging up a bit of the past. Lodged for centuries in the soft underlayer of Mexico City, these artifacts give mute testimony to what may be history's most notable encounter of strangers, as close as one civilization has come to confronting beings from another world.

That close encounter resulted in an entirely new world, one that continues to surprise today.

The celebration of the 60th anniversary of the Fine Arts Palace on Avenida Juárez, and the Eje Central makes this cultural center a focus of special activity at this time. The city has just completed an underground parking garage and a new plaza connected with nearby Alameda Park. During the construction, workers found thousands of pre-Hispanic ceramic pieces and the remains of a colonial convent. The building itself is a wonder — Italian marble on the outside, Art Deco supreme on the inside. It contains a dazzling glass theater curtain by Tiffany. To mark the anniversary, there is a full schedule of music, opera and dance.

On most Sunday mornings at 9:30 and Wednesday evenings at 8:30 there are performances of the Folkloric Ballet, which traces Mexico's cultural history. Tickets

cost from \$25 to \$37. Closer to Christmas, from Dec. 11 through 18, the National Dance Company of Mexico performs "The Nutcracker." Prices are roughly the same. Telephone: (525) 512-3633.

On Dec. 1 Mexico inaugurates a new president, Ernesto Zedillo Ponce de León, who will be sworn in at the Hall of Congress, and Mexico City becomes the focus of a number of inaugural activities, some taking place in the National Palace on the Zócalo.

Dec. 12 marks one of the most important religious events in Mexican history. Mexicans believe the Virgin Mary appeared before a poor Indian named Juan Diego on this day in 1531. Millions of Catholics from Mexico and around the world make a pilgrimage to the soaring basilica of Our Lady of Guadalupe just a few miles north of the Zócalo. Convoys of bicycles weave through the streets on their way to the basilica, and some devout pilgrims make the journey on their knees.

Joan Manuel Serrat, a Catalan singer, will give two concerts at the National Auditorium in Chapultepec Park on Nov. 11 and 12. Tickets cost \$15 to \$35.

**I**n the south, the city recently opened the Ecological Park of Xochimilco, a part of the ancient floating gardens of the Aztecs. If you're there on a clear day, the park also offers breathtaking views of Mexico City's twin snow-covered volcanoes Popocatepetl and Iztaccihuatl. Open 9 to 6 Tuesday to Sunday. A roughly one-hour ride on a traditional flat-bottomed boat, called a *trajinera*, costs \$20. Telephone: (525) 673-8139.

Also in the south is the just-opened Dolores Olmedo Patiño Museum, 5843 Avenida Mexico, with one of the best collections of Diego Rivera and Frida Kahlo paintings anywhere. Inside a splendid former hacienda called La Noria, or the Waterwheel, the museum also includes hundreds of pre-Hispanic works.

A notable addition to Mexico's many fine museums is Papalote, a children's museum in the second section of Chapultepec Park. Featured are a towering climb-

able maze, science displays and action games. Open every day 9 to 1 and 2 to 6. Children to 12 pay \$3. Over 12, \$6.60. Call (525) 237-1700.

The 90-year-old Hotel Imperial at 64 Paseo de la Reforma (a beautiful avenue built by Maximilian to resemble the Champs-Élysées) looks like it was imported from Paris. Just five whitewashed stories high with a gilt cupola, it is one of Mexico's most European hotels. Half of the 65 rooms have views of Reforma. Doubles are \$156 a night. (525) 705-4911, fax (525) 703-3122.

Another stylish place is the Grand Hotel at No. 82 on 16 de Septiembre Street. Opposite the National Palace right on the Zócalo, the 125-room hotel is now owned by Howard Johnson but retains its turn-of-the-century style. It has a wonderful lobby, capped by a magnificent stained-glass dome and a brasswork elevator. Doubles are \$100 a night. (800) 654-2000, fax (525) 512-2085.

Budget: The Maria Cristina, 31 Calle Rio Lerma, not far from the American Embassy, has 150 pleasant rooms, many of them surrounding a pretty courtyard. Double rooms cost \$61. (525) 566-9688.

Of the many restaurants that have opened recently, one of the fanciest is Los Alcatrazes, 102 Tennyson, where the city's rich and powerful gather. Mexican specialties served here include fried cactus worms; a cilantro soup made from a 16th-century recipe; and the national dish, *chiles en nogada* (chili peppers stuffed with meat and covered with a creamy walnut sauce). Dinner for two, with wine and dessert, \$100. Reservations necessary. Telephone: 281-3472.

**A** WONDERFUL secret is El Discreto Encanto de Comer, the Discreet Joy of Eating, 76 Orizaba Street, near the lovely Rio de Janeiro park. Snuggled inside a turn-of-the-century home, it has peach-colored walls covered with works by local artists. Monthly specials include stuffed squash flowers and an exquisite soup of *huilacote* (black corn fungus that tastes a lot better than it sounds) with a baked bread cap. Dinner for two with a bottle of Mexican wine costs about \$125. 511-3860.

For visitors who would be disappointed without traditional mariachi music, there is the Coyoacán Center, 79 República de Cuba, 521-2934. In the historic center, not far from the Zócalo, it has a crowded upstairs with small tables and a generally friendly atmosphere. Specials change monthly. November features roast pork with tumpico greens for \$12; December offers a traditional salt cod called bacalao for about \$20. Musicians will play what you want for the asking, but a tip of about 15 pesos (\$4.50) is expected.

## World's Most Unusual Art Fest?

By Mike Zwerin  
International Herald Tribune

**C**ETINJE, Montenegro — We on the first Yugoslav Airlines (JAT) flight from Western Europe since the lifting of international sanctions against Serb air transport, sports and culture on Oct. 5 had our very own knight in shining armor. On his initial visit to Montenegro in May 1968, Nicolas Petrovitch Njegosh flashed on the fact that he was a prince of an ancient dynasty. Then the genie sh-bammed him back into his backpacking hippie persona and he hitchhiked home to Paris.

For something like four centuries, Montenegro was an independent kingdom in the midst of the Ottoman Empire. The sleepy mountain city of Cetinje, long known as the smallest capital in Europe (pop. 12,000), was founded in 1493 and was host to many major embassies. The jagged cliffs are difficult to scale, Montenegrians make fierce warriors and the savage valleys did not seem worth the climb. Someone has said: "It's like Switzerland, only worse."

On his second visit, in October 1989, Nicolas Petrovitch brought the remains of his great-grandfather, the last king, his queen and their two daughters, who had died in exile in Italy, to their final resting place. To his surprise he was met by 200,000 Montenegrins (out of a population of 700,000), many of whom wanted to kiss his hand.

Njegosh (50, a French architect by trade) saw all these magnificent, now rather dour, former embassies scattered about this historic capital of what is a sullen but current-

ly peaceful de-facto Serbian colony. The embassies closed in 1916 when Montenegro was occupied by the Austro-German forces. Venice is across the Adriatic. The prince decided to try to make a sort of eastern Venetian Biennale art festival in the old pavilions. The first took place in 1991. We were here to close the second.

Our weekend "flight for culture" was under the auspices of Unesco, the Council of Europe, the Soros Foundation, the Venice Biennale and the French Ministry of Culture.

If we were jet-setters, the good God Jet was against us. We waited in the Orly transit lounge for eight hours while the prince worked the phones. "Take off. Just take off!" he screamed. He begged officials to allow the JAT 737 to come from Belgrade and pick us up. The German authorities were late granting overflight rights. "I'll pay for the extra gas if it has to turn back," the prince pleaded. "I am putting my head on the table. Here, cut it off. But for goodness sake, take off!"

Uzi-toting Serb soldiers surveilled us in the Belgrade airport. Our collective visa was not enough for them. They wanted individual visas paid for in hard currency. It took two hours to talk them out of it. We flew on to Podgorica (formerly Titograd) in Montenegro, once a kingdom (everything around here is ex, former, once or rump) and came to Cetinje by bus. We checked into the would-be grand Grand Hotel at 4 A. M. It had been a long, hard day. Champagne corks popped.

Cetinje reminds me of the spa called Spa in Belgium. And of old Howard Hughes, in need of a haircut and a mani-

cure. "Meet you at the Serbian Embassy" is a time-machine rendezvous in a town this size in this condition in this place. "We did this for the town, for art, for the country and for Europe," said the prince. "Europe is fighting about cheese, wine, subsidies — all these material things. At least we can agree about culture."

He was happy and rather dazed to have pulled off his coup. He wore this spacey smile. "Everything's on credit," the prince explained. "To the politicians in Belgrade this is like a biennale in the Auvergne," the prince explained. "A little sausage Biennale. Belgrade considers Montenegrians provincial idiots, retarded mountain people. They condescend to us. It's important that they see that foreigners will come here to see paintings. It reinforces us."

Saturday dinner was ceremonial in the hotel ballroom. A folklore troop of attractive young men and women put on a spirited show of Montenegrin, Serbian, Albanian, Bosnian, Macedonian and Croatian dances. "Just like the old Yugoslavia," a cynic said. But here in the rump, when one able-bodied male dancer ceremoniously kills another with a wooden sword in a fight over a pretty girl, it becomes more than pantomime.

The prince had perhaps been imbibing more optimism than eau-de-vie. "It's a miracle. We have brought hundreds of Western and Eastern artworks together here. Look around. There are no ministers, no protocol officers, no bodyguards, not one cop. In August some of us crossed over from Albania in a taxi. There is a sort of tolerance growing — a kind of neutrality. Suddenly, anything seems possible."

## CHARMING HOTELS IN PARIS

### PARIS QUARTET HOTELS

FOUR OWNER-MANAGED HOTELS  
Spread across PARIS Each with a courtyard  
Special welcome for Herald Tribune readers



**HOTEL DE L'ABBAYE**  
Saint-Germain  
10, rue Cassette  
75006 Paris  
Tel: (1) 45.44.38.11  
Cable Abotel  
Fax: (1) 45.48.07.86  
An 18th century townhouse between courtyard and garden offering a refined mixture of tradition and modern comfort in the heart of the fashionable Left Bank quarter, 44 rooms, 4 of which are suites with private terraces.



**HOTEL DE NOAILLES**  
9, rue de la Michodière,  
75002 Paris  
Tel: (1) 47.42.92.90  
Tlx: 240644F  
Fax: (1) 49.24.92.71  
The serenity of the Japanese garden and decoration make for an oasis of peace in central Paris, very near the Opera. 58 large, well-lit rooms, meeting room for 20. The unmistakable quality of simplicity and purity.



**SELECT HOTEL**  
1 pl. de la Sorbonne  
75005 Paris  
Tel: (1) 46.34.14.80  
Fax: (1) 46.34.51.79  
Contemporary elegance in the heart of the Latin Quarter. 87 rooms + 1 duplex suite offering the perfect mix of modern comfort and Old World charm. The interior garden and terraces add a soothing touch to this special hotel.



**UNION HOTEL ETOILE**  
44, rue Hamelin,  
75016 Paris  
Tel: (1) 45.53.14.95  
Tlx: 611394F  
Fax: (1) 47.55.94.79  
42 large, pretty rooms and residential apartments overlooking a private garden on a small, calm street near Etoile. The perfect spot for business, entertainment and shopping. Private bar. Excellent service.

In the heart of Paris  
near Saint-Germain-des-Près

**HOTEL DE L'UNIVERSITE**  
22, rue de l'Université, 75007 PARIS  
Tel: (1) 47.61.09.10 - Fax: (1) 47.61.09.11  
A short walk from the prestigious Musée d'Orsay and the Louvre. The refined comfort of a 17th century residence. Air-conditioned rooms.



### LES HÔTELS VILLA

A friendly and refined atmosphere  
IN THE HEART OF PARIS  
Special offer for Herald Tribune readers

3 nights for the price of 2  
FF 850/Night

**HOTEL DES MATHURINS**\*\*\*\*  
In the heart of the theatre district, near the "grande magazine" and Madeleine, 36 rooms, underground parking, 43, rue des Mathurins, Paris 8th  
Tel: (1) 44 94 20 94. Fax: (1) 44 94 00 44

**HOTEL RESIDENCE BASSANO**\*\*\*\*  
2 minutes Champs-Élysées, 31 rooms.  
15, rue Bassano, Paris 16th  
Tel: (1) 47 23 78 23. Fax: (1) 47 20 41 22

**Hotel Brighton**  
Paris  
218, rue de Rivoli  
75001 PARIS  
Tel: (1) 42.68.30.83  
Fax: (1) 42.68.41.78

Directly on the Tuileries garden near the Louvre and Place Vendôme.  
Traditional French refinement coupled with all modern comforts and excellent service.  
Private tea room offers an intimate cosy spot for guests and business associates.  
-10% Special discount for Herald Tribune readers.

**RESIDENCE LORD BYRON**  
5 rue Chateaubriand, Paris 8th.  
Tel: (1) 43 59 89 96  
Tlx: 649 562 - Fax: (1) 42 89 46 04  
RER Etoile, Metro George V

**HOTEL MAYFLOWER**  
3 rue Chateaubriand, Paris 8th.  
Tel: (1) 45 62 57 46 - Tlx: 640 727  
Fax: (1) 42 56 32 38

Two charming "hotels on a calm street just off the Champs Elysees near Etoile. Refined and comfortable rooms with garden.

**HOTEL ATALA**  
\*\*\*\*  
10, rue Chateaubriand, "5008 Paris  
Tel: (1) 45 62 01 62 - Tlx: 640 576  
Fax: (1) 42 25 66 38

**JUST OFF THE CHAMPS-ÉLYSÉES**  
• 50 stylishly decorated & perfectly equipped rooms.  
• Gourmet restaurant gives you pleasant INTERIOR GARDEN.  
• Rooms from 700 FF to 1300 FF.

**HOTEL FERRANDI**  
\*\*\*\*  
10th Cent. townhouse in the peaceful part of St Germain-des-Près. Refined, comfortable rooms. A helpful and friendly welcome.  
Prices from FF 580  
32 rue du Cherche-Midi, 75006 PARIS  
Tel: (1) 42 22 97 40 - Fax: (1) 45 44 00 97  
Present this ad when reserving for your complimentary breakfast

International  
Herald Tribune  
ads work

## LOW COST FLIGHTS

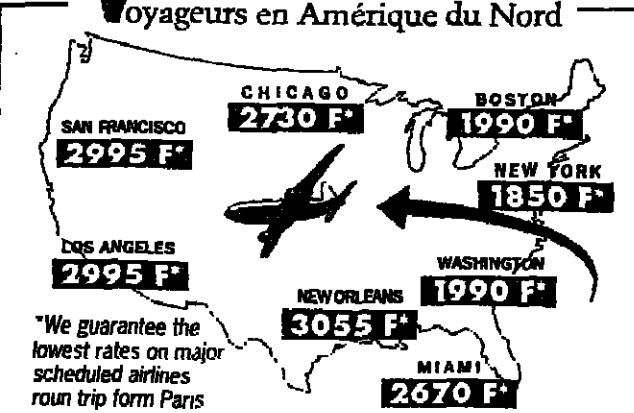
### ACCESS THE BEST FARES TO THE WORLD

ROUNDTrip FROM PARIS			
NEW YORK:	1 995 F	MEXICO:	3 915 F
CHICAGO:	2 090 F	BANGKOK:	4 145 F
LOS ANGELES:	3 195 F	MAURITIUS:	5 525 F
SAN FRANCISCO:	3 195 F	RIO:	4 950 F
MIAMI:	2 785 F	TEL AVIV:	2 170 F
FORT DE FRANCE:	2 900 F	LONDON:	740 F

and over 500 more destinations worldwide on 40 different scheduled carriers.

Tel: PARIS 1-40 13 02 02 or 42 21 46 94  
Fax: 1-42 21 44 20 MINTEL: 3615 ACCESSVOYAGES  
Tel: LYON 78 63 67 77 or 72 56 15 95

BOOK NOW by phone with credit card  
Government License: 175111



**The real prices to the USA**  
Voyageurs en Amérique du Nord, 55 rue Sainte Anne, 75002 Paris  
Métro: Pyramides or Quatre Septembre  
Tel: 42 86 17 30/20

### CASH AND GO

Round trip from Paris on regular flights			
New York	1 930 F	Miami	2 750 F
Montreal	1 880 F	Chicago	2 950 F
Toronto	2 380 F	Seattle	3 350 F
Boston	2 400 F	Los Angeles	3 350 F
Washington	2 400 F	San Francisco	3 350 F

**TEL: 42 77 50 50**  
MAISON DES AMÉRIQUES 4, RUE CHAPON  
75003 PARIS, LIC 175574

CASH AND GO OFFERS YOU A FULL RANGE OF ATTRACTIVE AIR FARES ON THE BEST SCHEDULED CARRIERS WORLDWIDE			
BOSTON	2150 F	PHILADELPHIE	2670 F
NEW ORLEANS	3060 F	OSAKA	6150 F
LAS VEGAS	3440 F	SYDNEY	6150 F
ORANGE COUNTY	3440 F		

Cash and Go  
Tel: 44 53 49 49 - Fax: 42 82 94 24  
Minitel: 3615 CASHGO  
or stop by at 54, rue Talma 75009 Paris

**VOLECO**  
ECO FOR INEXPENSIVE VOL FOR FLIGHT  
The Cheapest Charter and Bargain Flights  
**Give us a call**  
(1) 40 47 87 29  
205 Bd Raspail 75014, Paris

**Holidays & Travel**  
Every Friday  
Contact  
FRED ROMAN  
Tel: (33-1) 46 37 93 81  
Fax: (33-1) 46 37 93 70  
or your nearest IHT office or representative

صكلا من الالاحل



# Old Times and New, at La Vieille

By Patricia Wells  
International Herald Tribune

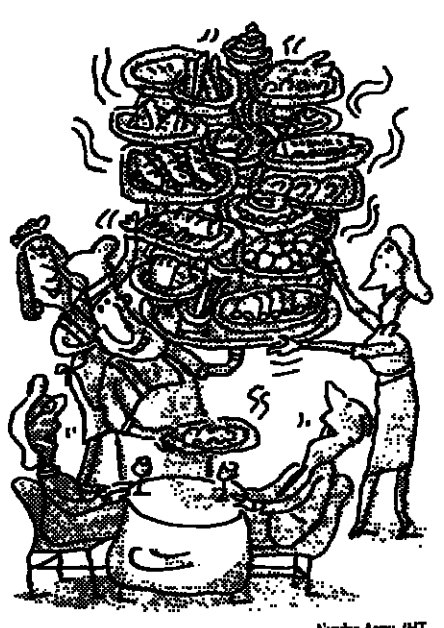
PARIS — Rare, so rare is it that an institution can reinvent itself, maintaining character and authenticity all the while pleasing those who loved everything "just as it was."

Well, bravo to patronne Marie-José Cervoni, the young chef Miriam Jenard, and co-owner Gérard Besson for honoring Chez la Vieille as they have.

Since 1958 this Les Halles bistro has been the domain of Adrienne Besson and her sister, Madeleine, the last of the Parisian "mères" to coddle and coax diners into overly copious portions of *tomates farcies*, letter-perfect renditions of herring marinated in oil, an exemplary pot-au-feu, and memorable portions of *bœuf aux carottes*. The tiny dining room has just five tables, serving no more than 20 or 25 diners each day, regaling them with Adrienne's simple cuisine "de bon sens."

Adrienne, now 73, retired in February and closed the restaurant until she found worthy successors. Besson (whose Michelin-starred restaurant, at 5 Rue Coq-Héron, bears his name) had been helping Adrienne with marketing, and found a willing co-owner in Cervoni, a housewife who loves to cook and obviously adores cooing and coddling. So in May they opened their doors, engaging Jenard in the role of understudy as the next Parisian "mère," with Cervoni accepting the motherly role in the dining room.

The results are astonishing. A weekday lunch proved that Chez la Vieille has not missed a beat. The procession of hors d'oeuvres, terrines, *chou farci* and vegeta-



Nadine Anon HTT

bles (that's just for starters) prove that authentic, top-quality bistro fare can still be found in Paris. A cupful of rich, smooth, yet honey, creamy vegetable soup begins the generous feast. A soft, moist, fresh and full-flavored chicken-liver terrine follows thick slices of rabbit terrine stuffed with prunes. What pride I would feel in producing a comparable

leek, cheese and ham tart, encased in multiple layers of puff pastry. There are platters of leeks and of beets for anointing with a gentle vinaigrette.

Main courses include a perfect fricassee of chicken — this one *poulet au vin-aigre* — served in a tiny black cast-iron casserole to keep it warm between servings. Thick, meaty breast of duck is properly seared — fat side first so it cooks slowly and evenly in its own fat — and served with a memorable potato gratin, where the dominant flavor is potato, not cheese, cream or fat.

The convoy of desserts is equally generous, ranging from *gâteau basque* to an entire baba au rhum, ending with a trio of chocolate desserts, each one richer than the last.

FOLLOWING Adrienne's custom, the restaurant is open at lunch only, but will open for groups for dinner by reservation. A charming, old-fashioned upstairs dining room — decorated with black-and-white photographs of the old Les Halles market — assures a private banquet for serious gourmands.

A word of warning: The green salad and grilled fish crowd should go elsewhere.

Chez la Vieille "Adrienne," 37 Rue de l'Arbre-Sec, Paris 1; tel: 42.60.15.78. Closed Saturday and Sunday. Lunch only: dinner by reservation. Credit cards: Eurocard, MasterCard, Visa. A la carte. 240 to 335 francs (\$46 to \$65) per person, including service but not wine.

# Amex Widens Its Mileage Program

By Philip Crawford  
International Herald Tribune

THE "customers that Amex forgot" have finally been remembered. Holders of American Express' international dollar card, excluded from membership in the company's Membership Miles frequent-flyer program since its inception in 1991, will be permitted to enroll. A brochure outlining the details of the plan, recently renamed Membership Rewards, is being mailed to cardholders.

The international dollar card, which enables customers living outside the United States to be billed in U.S. dollars, has a client base consisting chiefly of affluent citizens of developing countries whose local currency is not fully convertible. Disqualification from the program had irked many such customers, especially since holders of local-currency cards in Britain, Germany, France, Italy, Spain and Switzerland had been gradually allowed into the plan over the past couple of years.

American Express maintains that the reason for the exclusion — which affected an estimated 100,000 customers in Europe, the Middle East and Africa, and tens of thousands more in Asia and Latin America — was a matter of getting administrative systems in place and negotiating with participating air carriers, not of discrimination against global dollar-card holders, whose accounts are more costly to process than those of local-currency customers.

"It's been a matter of finding the right partners and getting the proper systems in place, and that's been a very big job," said

John Petersen, London-based vice president of public affairs for American Express Europe Limited.

Five airlines — Air France, Delta, Continental, Sabena and Iberia — as well as four hotel chains — Sofitel, Occidental, Oberoi and Steigenberger — have signed on as participants in the plan. Airline partners for the U.S.-based dollar card are Delta, Continental, USAir, Southwest, Air Mexico and Mexicana. Participating hotel chains for the U.S. card are Sheraton, Marriott, Hilton, Western and Stouffer Renaissance.

Those enrolling in Membership Rewards receive one "point" for every dollar spent with their American Express cards. The points can then be applied toward customer loyalty programs of participating air carriers and hotels. When the card is used outside the United States, which is most often the case, the dollar value of the purchase is computed at current exchange rates.

For international dollar-card holders, enrollment in the plan will be free the first year but will cost \$30 annually after that.

American Express declined to reveal exactly how much a point is worth, saying that it varied with each partner. In the case of air carriers, however, the company said that one point did not equal one mile applied to the airline's frequent-flyer program and suggested that the value was considerably less.

Howard Strong, whose problems with American Express while living in Europe prompted his founding of an organization called Credit Card Users of America, said

that increased competition most likely prodded Amex to speed up its efforts to include the international dollar-card holder. He noted the increasing global presence of the Diners Club card and the advent of Visa cards issued by airlines themselves, which offer similar promotional tie-ins.

Randy Petersen, editor of the Colorado-based Inside Flyer, a magazine for frequent air travelers, said he thought Amex was feeling the heat particularly from Diners Club, a unit of Citibank, whose Club Rewards plan has long admitted international dollar-card holders provided they live in a country where the card has a local program.

"Diners Club is much more powerful in Europe than in the U.S.," said Petersen. "And they're being very aggressive internationally. I think this will turn into quite a race, with American Express and Diners Club going toe-to-toe."

MEANWHILE, John Petersen of American Express stressed that it has always been in the company's best interests to get the new dollar-card program up and running.

He said that about 25 percent of local-currency cardholders in major European markets have enrolled in Membership Rewards and, since doing so, have increased their spending on the card by an average of about 35 percent annually. "People are doing exactly what we hoped they'd do," he said. "They're consolidating their expenditures on the American Express card."

## THE ARTS GUIDE

### AUSTRIA

Vienna  
Kunsthistorisches Museum, tel: (51) 53124-5486, open daily. Continuing/To Nov. 27: "Herbert Boeckl, 1884-1966."

### BELGIUM

Bruges  
Groeningemuseum, tel: (50) 34-79-58, open daily. Continuing/To Nov. 15: "Hans Memling: Five Centuries of Reality and Fiction."

### BRITAIN

London  
British Museum, tel: (71) 323-8125, open daily. Nov. 5: Opening of a permanent gallery of pre-Hispanic art from the Olmec, Maya and Aztec cultures in Mexico. On display are ceremonial jade, ritual vessels, sculptures and masks.

Buckingham Palace, tel: (71) 798-2531, closed Mondays. Continuing/To Dec. 22: "Gainsborough and Reynolds: Contrasts in Royal Patronage."

Hayward Gallery, tel: (71) 928-3144, open daily. Continuing/To Jan. 8: "The Romantic Spirit in German Art 1790-1900."

Royal Academy of Arts, tel: (71) 494-5815, open daily. Continuing/To Dec. 14: "The Glory of Venice Art in the 18th Century." Also, to Jan. 22: "The Painted Page: Italian Renaissance Book Illumination 1450-1550." 120 illuminated manuscripts and books, ranging from small prayer books to large choir books, commissioned by Italian Renaissance patrons of art for their libraries.

Tate Gallery, tel: (71) 887-8000, open daily. To Feb. 27: "The Artist's Mother and the Artist's Daughter: A video-sound installation about the cycle of life. A birth, a death (the artist's mother) and a clothed figure underwater described by Viola as 'floating in another world between the experiences of life and death.'"

### CANADA

Toronto  
Art Gallery of Ontario, tel: (416) 977-0414, closed Tuesdays. Continuing/To Dec. 31: "From Cézanne to Matisse: Great French Paintings from the Barnes Foundation."

### DEMARK

Copenhagen  
Museum of Modern Art, tel: (42) 97-07-19, open daily. To Dec. 11: "Diane Michals: Photography and Reality." Works by the American photographer, including his early photographs in the Soviet Union in 1955 and portraits of personalities in the world of art.

### FRANCE

Paris  
Musée National Fernand Léger, tel: (93-88-83-51, closed Tuesdays. To Dec. 12: "Fernand Léger Photographie." 150 photographs of the artist, his family, his friends and his work by Kertész, Brassai and Man Ray, among others.

Centre Georges Pompidou, tel: (1) 44-78-12-33, closed Tuesdays. To Jan. 16: "Francesco Clemente: Early



"Hotel des Terrasses," a 1926 photograph by Kertész, shown in Paris.

Morning Exercises." Features works from the first drawings in Rome in the 1970s to the latest watercolors in 1994, by the contemporary Italian artist.

Centre National de la Photographie, tel: (1) 53-76-12-32, closed Tuesdays. To Dec. 5: "Walker Evans." John Gutmann: Talking Pictures." George Segal: New York." Photographs by the three American artists.

This is part of Paris's Month of the Photo, which totals 93 exhibitions in November and December.

Grand Palais, tel: 44-13-17-17, closed Tuesdays. Continuing/To Jan. 8: "Gustave Caillebotte, 1848-1894." Also, to Jan. 2: "Nicolas Poussin."

Musée de l'Art et du Costume, Palais Galliera, tel: (1) 47-20-85-23, closed Mondays. To March 12: "Vieillesse du monde de 1750 à nos jours." Documents the development of denim and jeans, from the American workers' and farmers' overalls to the present-day teenagers' uniform.

Musée Dapper, tel: (1) 45-00-01-50, open daily. To March 13: "Dapper." Works by the American photographer, including his early photographs in the Soviet Union in 1955 and portraits of personalities in the world of art.

Musée National Fernand Léger, tel: (93-88-83-51, closed Tuesdays. To Dec. 12: "Fernand Léger Photographie." 150 photographs of the artist, his family, his friends and his work by Kertész, Brassai and Man Ray, among others.

Centre Georges Pompidou, tel: (1) 44-78-12-33, closed Tuesdays. To Jan. 16: "Francesco Clemente: Early

On Nov. 6: "Jean-Baptiste Camille Corot: Un Sentiment Particulier du paysage." Musée Cantonale d'Art, Lugano, Switzerland.

On Nov. 5: "Lucas Cranach: Ein Meister-Unterschied aus Franken." Museum der bildenden Künste, Leipzig, Germany.

On Nov. 6: "Dada Global." Kunsthaus, Zurich.

On Nov. 6: "British Delft From Colonial Williamsburg." Art Institute, Chicago.

On Nov. 6: "Visions of the Ottoman Empire." Scottish National Portrait Gallery, Edinburgh.

On Nov. 6: "Piranesi: La Rappresentazione dell'Architettura." Palazzo Grassi, Venice.

### GERMANY

German Tour of the Orchestre de Paris. The orchestra, conducted by Semyon Bychkov will perform in Regensburg, Stuttgart, Berlin, Munich, Frankfurt, Nuremberg, Hannover, Hamburg, Cologne and Düsseldorf. Nov. 13 to 23.

Munich  
Bayerisches Nationalmuseum, tel: (89) 21124-1, closed Mondays. To Jan. 15: "Zierde für Ewigkeit: Das Perikopenbuch Heinrichs II." The prayerbook that belonged to King Henry II is an example of 11th-century illuminations.

### ITALY

Milan  
Milan Fair Complex, tel: 49-97-72-64, open daily. To Dec. 11: "Pittura del Lombardo del Secolo Ottocento: Lo sguardo sulla Realtà." More than 150 realistic 19th-century paintings from Lombardy. Artists on display include Tranquillo Cremona, Daniele Ranzani and Leonardo Bazzaro, among others.

Rome  
Palazzo Ruspoli, tel: (6) 583-21-77, open daily. Continuing/To Feb. 19: "Nerlertat: Light of Egypt." A commemoration of the discovery of Nerlertat's tomb in 1904, and a tribute to Ramses II's favorite wife. Features 130 objects, including amulets, funerary statuettes, jewelry, the Queen's sandals. The tomb can also be visited in "virtual reality."

Théâtre du Châtelet, tel: 40-28-28-40, Philippe Boesmans' "Reigen." Directed by Luc Bondy, choreographed by Lucinda Chalks and conducted by Patrick Davin. With Deborah Raymond, Elizabeth Ardam and Françoise Pollet. Nov. 25, 26 and 27.

### JAPAN

Tokyo  
National Museum of Western Art, tel: (3) 3829-5131, closed Mondays. To Dec. 24: "The Unknown Modigliani." Drawings by Italian artist Amedeo Modigliani from 1906 to 1924, until now the most obscure period in his life. The drawings were purchased and collected by Paul Alexandre who became the painter's closest friend and only patron upon his arrival in Paris in 1906.

### LUXEMBOURG

Musée National d'Histoire et d'Art, tel: (352) 47-93-30, closed Mondays. To Nov. 20: "Nico Kopp (1884-1930)." A retrospective of the work of the Luxembourg figurative painter.

### NETHERLANDS

Amsterdam  
Stedelijk Museum, tel: (20) 5732-911, open daily. To Nov. 27: "Asger Jorn." A retrospective of 100 paintings and drawings by the Danish artist (1914-1973). Jorn's color paintings are inhabited by mythical figures, strange animals and human faces.

Van Gogh Museum, tel: (20) 570-5252, open daily. Continuing/To Jan. 15: "Odion Redon: Prince of Dreams."

Rotterdam  
Museum voor Volkenkunde, tel: (10) 411-2201, closed Mondays. To Feb. 5: "From Bombay to Shanghai." Historic photographs of Southeast Asia monuments and population in the heyday of British and French colonialism, by 19th-century Western photographers.

### SPAIN

Madrid  
Museo Nacional Centro de Arte Reina Sofía, tel: (1) 467-5062, closed Tuesdays. To Jan. 16: "Salvador Dalí: The Early Years." 50 paintings, 50 drawings and photographs following Dalí's career from his early years in Figueras and Madrid to the fully fledged Surrealist. In these early works, Dalí experiments with a variety of styles, from neoclassicism to Symbolism and Cubism. The subjects include scenes from the life of the '20s, portraits of his family and friends, and of the port of Cadacques.

Valencia  
IVAM Centre del Carme, tel: (1) 366-30-00, closed Mondays. To Jan. 15: "Sigmund Polke." More than 60 works of the 1980s. While the German artist started with figurative representations of daily objects, in the '80s he evolved towards historical subjects, such as concentration camps of the French Revolution.

IVAM Centre Julio Gonzalez, tel: (6) 386-30-00, closed. To Jan. 8: "Josep Albers: Vidrio, Color y Luz." Works from different periods and in different media by the German painter and designer. Includes collages and paintings and the 1982 series "Homage to the Square."

### SWEDEN

Stockholm  
Nationalmuseum, tel: (8) 666-42-

50, closed Mondays. To Jan. 8: "Goya." 50 paintings and 80 prints on loan from the Prado Museum in Madrid, the National Gallery in London and the Metropolitan Museum in New York.

### SWITZERLAND

Basel  
Kunstmuseum, tel: (61) 271-0445, closed Mondays. To Nov. 27: "Fernand Léger, 1911-1924: Le Rythme de la Vie Moderne." Presents the first artistic phase of the French artist and includes monumental paintings, abstract works, gouache drawings as well as still lifes and interiors.

Geneva  
Théâtre Municipal, tel: (21) 312-64-33, a new production of Verdi's "Un Ballo in Maschera." Directed by Jean-Claude Auvray, conducted by Jean-Claude Casadesu, with Adriana Mores, Soudra Kelly and Soudra Michailov. Nov. 17, 20, 22 and 23.

### UNITED STATES

Atlanta  
High Museum of Art, tel: (404) 517-6940, closed Sundays. To Jan. 14: "Workers, An Archaeology of the Industrial Age." Photographs by Sebastião Salgado. 200 black-and-white images drawn from the Brazilian photographer's epic study of manual labor throughout the world.

Houston  
The Menil Collection, tel: (713) 525-9400, closed Mondays and Tuesdays. To Jan. 9: "Colonial Masterpieces from Bolivia." Paintings from the 16th to the 18th century, from major ecclesiastical and museum collections in Bolivia.

Los Angeles  
County Museum of Art, tel: (213) 857-6522, closed Mondays and Tuesdays. To Jan. 22: "The Peaceful Liberators: Jain Art from India." 150 sculptures, textiles, monumental paintings on cloth, illuminated manuscripts and symbolic objects document the relationship between Jainism and the Hindu and Buddhist traditions.

New York  
The Heide Center: Opening the New York branch of the Smithsonian's National Museum of the American Indian. Inaugural exhibitions will include "Creation's Journey: Masterworks of Native American Identity and Belief," featuring objects from tribal groups in the Americas dating back to 3200 B.C.; "All Roads are Good: Native Voices on Life and Culture," with 300 objects of artistic, cultural, spiritual and personal significance; and "The Path We Travel: Celebrations of Contemporary Native American Creativity," featuring the collective talents of 15 contemporary Native American artists.

The Jewish Museum, tel: (212) 425-3200, closed Fridays and Saturdays. To March 5: "Jewish Life in Czestochowa: A World Rediscovered." Remains of the Jewish folk life and material culture collected in the early 1910s between the Black Sea and Vilnius and from Minsk to Warsaw.

Museum of Modern Art, tel: (212) 705-9400. To Dec. 20: "Mapping." Featuring paintings, drawings and sculptures by artists such as Giorgio de Chirico and Joaquín Torres-García, Jasper Johns, Ellsworth Kelly and Claes Oldenburg. Also, to Jan. 24: "A Century of Artists' Books." Focuses on how artists have enhanced texts with images, working with the writings of Aeschylus, Wittgenstein or Mallarmé. Features 140 titles, including books illustrated or created by artists such as Chagall, Matisse and Picasso; experiments from Malevich to Rauschenberg.

Metropolitan Museum of Art, tel: (212) 570-3551, closed Mondays. Continuing/To Jan. 8: "Origins of Impressionism." Paintings by avant-

garde artists who worked in Paris in the 1860s.

Solomon R. Guggenheim Museum, tel: (212) 423-3840, closed Thursdays. To Jan. 23: "The Italian Meta-morphosis, 1943-1958." A survey of Italian arts at a time when the country became a leading exporter of culture, design and style. Paintings include works by Alberto Burri, Lucio Fontana and Piero Manzoni. Also features architectural models, fashion, photography as well as furniture and experimental designs.

Philadelphia  
Philadelphia Museum of Art, tel: (215) 261-2000, closed Mondays and Tuesdays. To Jan. 22: "The Peaceful Liberators: Jain Art from India." 150 sculptures, textiles, monumental paintings on cloth, illuminated manuscripts and symbolic objects document the relationship between Jainism and the Hindu and Buddhist traditions.

Washington  
Hirshhorn Museum, tel: (202) 357-3235, open daily. To Jan. 29: "Bruce Nauman." 60 works by the American artist, including video installations, a five-part photographic self-portrait, wall pieces in neon, and monumental suspended sculptures. The exhibition will travel to Zurich.

## HOLIDAYS & TRAVEL

### "THINK HEALTH AND VITALITY"

Get the best of your holiday, at the famous: **FITNESS OCEAN LINER**, breaching in South Brittany, in the Gulf of Morbihan.

### SPECIAL HEALTH SPA PROGRAMME

Including accommodation, half board, sea water therapy and access to the fitness center.

\*From FF 950 per person per night in double room. Special Conditions for Herald Tribune Readers.

### HOTEL MIRAMAR

Institut de Thalassothérapie Louise Bobet

Port Coton, 56400 Arzon

Tel: (33) 97 67 68 37 / Fax: (33) 97 67 68 38

### GROUPE ROYAL MONCEAU

"Luxury with the French Touch"

\*10 nights minimum, until 28.01.95 escape from 22.12.94 to 01.01.95

### LOW COST FLIGHTS

WE SHOW YOU THE WAY  
ETN Card gives up to 50% DISCOUNT  
on 9,500 flights/175 countries. Also  
on Restaurants and Airlines and  
on Home Call. Your personal  
ETN Card and 322-page ETN Directory  
for 1995 will reach through 1995.  
ETN Directory, 24, 101/24 Amsterdam.  
Tel: +31-20-632222 Fax: 632227

### WORLD AVIATION SCHEDULE

FLIGHTS, 1st, business, economy  
of lowest fares, tel: 01 Paris (1) 4704921

### BUSINESS TRAVEL

ARCADIA TRAVEL Amsterdam  
Budget Hotels Worldwide  
Specialized in Budget  
Business & Team Travel  
Tel: +31-20-6190679 Fax: 6108846

### HOLIDAYS & TRAVEL

LONDON: SHORT STAYS, 1 km from  
London City Airport, in quiet area,  
centre 20 min. Double room £200 per  
week, single £150 per week. Tel:  
Genova, office +41-22-779 82 05, or  
home +41-22-344 72 03.

### HOLIDAY RENTALS

### CARIBBEAN

ST. BARTHELEMY, F.W.I., OVER 200  
PRIVATE VACATION VILAS - beach-  
front to fallow with pools. Our agents  
are now inspecting all villas personally.  
For reservations on St. Barts, St. Mar-  
tin, Anguilla, Barbados, Montserrat,  
Virgin Islands, call WILCOX, 2001  
Avenue U.S. (401) 949-0012/16 80-  
0290, from FRANCE 05 90 16 20  
ENGLAND 0400-49-5315.

### USA

Hilton Head Island, Reservations  
Occidental accommodations on nice  
beach on East Coast. Golf packages  
available. Call: (803) 642-012 USA.

### FRENCH PROVINCES

LIVE in South TOURNAI  
in the lovely guest house  
of 18th cent. castle surrounded by a  
beautiful garden. Romantic rooms,  
large opening onto garden, equipped  
kitchen, bathroom with large glass  
roofs & lots of hot water. Easy per-  
sonal laundry & a friendly host who will  
take care of all your domestic chores.  
Swimming pool & tennis court. Avail-  
able for winter vacations or yearly rent.  
E. de la Tourne, 96100 Aulnay, France.  
Tel: (33) 471 1332 Fax: (33) 478 3955

### MEXICO

PUEBLO VALIANTIA-Along the World  
Fiesta with traditional music of  
habanera, bolero, golden beaches &  
charming town. Up to 8 complete  
bedroom suites, each from \$250/night.  
2 pools, private tennis court, cover-  
ed room, van & driver, full house  
staff. For personal attention to all  
details call Helen, Tel: 203-333-4222  
Fax: 203-579-9133 USA

### HOTELS

### LEBANON

HOTEL AL BUSTAN, East of Beirut,  
5 star deluxe. Exceptional location,  
security, comfort, fine dining, conven-  
iences, business services, satellite TV, 18  
min. transfer from airport free. LITEL  
Fax: (915) 4707971 - (33) 1 4700007

### PHILIPPINES

ANNUAL HOTEL, 2138 Roon Blvd.,  
Manila, Philippines. Tel: 5210711. Fax:  
7424048. ADHOTE, P.M. First class,  
118 rooms facing Manila Bay.

### ITALY

ROME, HOTEL VICTORIA \*\*\*\*  
Excellent rates, restaurant, central  
location. Call: (06) 473931. Tel: 610272. Fax: 481690

## "HOLIDAYS & TRAVEL"

appears every Friday

# ASIA AND THE PACIFIC 1994: MERGING BUSINESS AND THE ENVIRONMENT

The Regent Bangkok, Thailand - December 7-8, 1994

An international environment forum, designed to promote dialogue between government ministers, leaders of business and industry and leading environmentalists worldwide, with a view to harmonizing economic growth and sustainable development

For further information please contact:  
Vivien Peters, Asia-Pacific Conference Office,  
International Herald Tribune, Hong Kong  
Tel: (852) 9222 1163 Fax: (852) 9222 1190

## CONFERENCE ORGANIZERS

Herald Tribune



Thailand Environment Institute (TEI)



## Serb Stronghold Captured by Croats

### Muslim Troops Aid Offensive For Control of Key Plateau

Compiled by Our Staff From Dispatches  
BOSANSKI PETROVAC, Bosnia-Herzegovina — The Bosnian Serb Army said Thursday that the Serb-held town of Kupres had fallen to Croat forces.

Kupres, in central Bosnia, has been under a heavy combined attack from Croat and Muslim forces.

The loss of Kupres, from which most civilians had already fled, was confirmed by the Second Krajina Corps of the Bosnian Serb Army in the northwest Bosnian town of Bosanski Petrovac.

It was the first time since the early days of the 31-month-old war in Bosnia that Bosnian Serb forces, which have an overwhelming superiority in tanks and artillery, had lost an important town.

The Bosnian Serb leader, Radovan Karadzic, said Thursday that the Serb political and military leadership was expected to meet on Friday to declare a full "state of war."

A full state of war would include such measures as mass mobilization, a closing of borders, putting the economy on a war footing and a declaration of martial law.

The Bosnian Serbs have in the last two weeks lost significant territory to the Muslims in northwestern and central Bosnia and come under threat from forces pressing toward Travno, south of Sarajevo.

Before Kupres and the surrounding area fell to Bosnian Croat troops, the Muslim-led Bosnian government army said that it had taken a valley commanding access to the town.

Croatian television showed what it said was footage of Bosnian Croat militias entering Kupres and said 22 militiamen

had been killed taking the town. The thrust on Kupres, about 100 kilometers (60 miles) west of Sarajevo, began early last week with a two-pronged attack by government troops from around Bugojno in the north-east and Bosnian Croat militias from the south.

The town of 3,500, about 51 percent Serb, 40 percent Croat and 8 percent Muslim before the war, sits atop the Kupres plateau. The strategic high ground links Serb-held territory in northwestern Bosnia and neighboring Croatia with Serb land in central Bosnia.

Serbs call the Kupres plateau "the gates of Bosnia." It was one of the first regions they captured in fierce fighting in early April 1992, as war began. Their leader, Mr. Karadzic, considered the plateau a trump card, contemplating trading parts of it to the Croats only in exchange for access to the sea in a final peace plan.

Muslim-Croat control of the plateau could allow their forces to push north and link up with government troops to try to cut Bosnian Serbs off from their brethren in neighboring Croatia.

But the battle for Kupres is more than a military struggle. Victory could spell a change of momentum in the war, in which Bosnian Serbs have taken more than 70 percent of the republic.

Though most numerous, Bosnian government troops have been hobbled by the weapons superiority of the Serbs. But weapons from Croatia started coming in after Muslims and Bosnian Croats patched up relations in March.

Any Croat-Muslim military cooperation would thus further hurt the Bosnian Serbs.

(Reuters, AP)

## French Magazine Breaks a Taboo With Mitterrand Photo

By William Drozdiak  
Washington Post Service

PARIS — The picture seemed anything but scandalous: a dark-haired student and her father, his hand resting affectionately on her shoulder, emerging from an elegant Parisian restaurant.

But the personalities in the photograph formed one of the most explosive "open secrets" in French politics: The 78-year-old President François Mitterrand was with his 20-year-old illegitimate daughter, Mazarine.

For years, French politicians and journalists have buzzed with gossip about Mr. Mitterrand's extramarital affairs but, in contrast to Britain and the United States, conspired to abide by a long-standing tradition that protects the private lives of public figures. Privacy laws are strictly enforced, and it is an offense to publish photographs without permission from the subject.

But the French weekly Paris Match shattered a taboo Thursday by publishing details about

the president's "second family." Mazarine was born out of a love affair two decades ago between Mr. Mitterrand and "a discreet and cultivated woman," as the magazine calls her. Mr. Mitterrand also has two sons by his wife, Danielle, who has been married to him for nearly 50 years.

The revelations about Mr. Mitterrand's second family appeared to reflect a more aggressive attitude in the French press in the aftermath of corruption scandals.

"For too long we have been under the control of our government, and maybe one of the positive aspects of Mitterrand's last days will be a healthier, less hypocritical press in France," said Philippe Alexandre, a leading political commentator and author of a new book on Mr. Mitterrand.

Mr. Alexandre said in an interview that he felt no qualms about writing about the president's daughter because Mr. Mitterrand no longer bothers to hide her existence. She accompanied him on an official trip to South

Africa and attended a state dinner for the visiting emperor of Japan.

"There is simply no longer any mystery about it. The president takes her into popular restaurants and cafés where he is bound to be seen. So, if we journalists have respected this secret until now, there are no grounds for it to exist any longer other than to hide it from the general public. Frankly, I think it's marvelous for a 78-year-old man to have a beautiful and attractive 20-year-old daughter, and if the political circles in Paris know all about it, why shouldn't the rest of the country?"

The revelations in Paris Match and Mr. Alexandre's forthcoming book provoked dismay among French politicians, even among some of Mr. Mitterrand's fiercest opponents.

Interior Minister Charles Pasqua, one of Mr. Mitterrand's harshest critics, said he deplored the step to publish details about the president's personal life. Former President Valéry Giscard d'Estaing, who was defeated by Mr.

Mitterrand in the 1981 election after it was revealed that he accepted a gift of diamonds from an African leader, said he regretted publication of the photographs, particularly "if those involved did not agree to it."

Leading figures in the French press also expressed fears about the impact caused by breaking a precedent that they claim maintained France's cherished sophistication regarding sexual tolerance.

"Transparency in public life has nothing to do with this kind of trash," said Jean Daniel, editor of the political weekly Le Nouvel Observateur, in an interview.

The presidential office refused to comment on the affair.

In August, the journalist Pierre Péan shed light on another dark corner of Mr. Mitterrand's life by revealing that he served as a loyal civil servant in the collaborationist Vichy regime before joining the Resistance in the last stage of World War II.



President Clinton waving Thursday as Governor Mario Cuomo of New York pointed to a friend during a rally in Albany.

## SOUR: Pessimistic Mood for Voters

Continued from Page 1

the next year, and concern by 4 of 10 about their safety, saying there is an area within a mile of their homes where they would be afraid to walk at night.

Confounding poll-takers, most voters continue to hold a fickle, if not contradictory, notion about Congress. But their overall regard for the institution continues to plummet, with the number who disapprove up a full 10 percentage points since September.

Three-fourths of the people surveyed disapproved of the job Congress as a whole is doing, just about the same level as disapproval in July 1992, when disgust with Congress peaked at news of the House bank scandal. Only 20 percent said they approved of the job Congress was doing.

Voters still gave their own representatives a break, compared with the rest of Congress, but anger at their own representatives is mounting.

The last two months of campaigning have clearly soured the electorate; the number of those who disapprove of their own representatives has doubled, to 33 percent, since September. At no time since the Times and CBS News started asking this question in 1977 have voters registered greater complaints about their own representatives.

More than half, or 56 percent, approve of their own representatives, but only about a third think their own representatives deserve re-election. When asked about Congress as a whole, only 12 percent think most members of Congress deserve re-election, while 82 percent want Congress to start from scratch with all new people. And yet more than half said that even if all new people were elected, the government would not work any better.

Despite their intense feelings against Congress, three-fourths of respondents could not name their own representatives. And by a margin of 2 to 1, they could not name one public official they admired.

"I really tried to rack my brain, and I can't think of anybody who has gone into office and is doing what they had committed to doing," said Pat Butler, 36, a sales representative

in Fayetteville, Georgia. "They find out once they get in that they can't do that much."

Two-thirds of all Americans said they felt as if they did not have much of a say in what the government did. This is the highest level of helplessness measured since the Times and CBS News began asking this question in 1990. Nearly three-quarters said most members of Congress did not understand their needs.

"They're not the same type of day-to-day people as you or me," said Tim Fithian, 25, a night warehouse worker in Hayward, California. "They're in a completely different world. They aren't someone you would want to socialize with."

By a margin of five percentage points, registered voters said they expected to vote more Republican than Democratic this year. This is statistically insignificant, given the poll's margin of sampling error and because such a general question cannot accurately predict results of local races. But there are other indications that Republicans may hold some advantages going into Tuesday's balloting.

Fifty-four percent of all Americans view the Republican Party favorably, while 44 percent view the Democrats favorably. In another measure of voter alienation, those surveyed were equally divided between those who said the Democrats, the party of Franklin D. Roosevelt, favored the rich and those who said the Democrats favored the middle class or the poor.

By a 2-to-1 margin, people believe that government should be less involved in solving national problems, which is generally the Republican approach. But 57 percent think the country needs a new political party. In bad news for the Republicans, 71 percent of voters have never heard of their much-promoted "Contract With America," the party's main blueprint for what it wants to accomplish in the next session of Congress, should the Republicans take control.

The poll contains mixed news for President Bill Clinton, whose approval rating among all Americans stands at 43 percent, with 48 percent disapproving.

## DISNEY: Investors Are Heartened

Continued from Page 1

said at a news conference that, no, the fault lay with tour operators and travel agencies who struck the theme park from their catalogs.

After a 15 billion franc rescue package last spring, attendance started picking up again, Mr. Bourguignon said. The company now hopes to woo visitors from key markets — particularly Britain, now that the high-speed rail link from London will arrive on the park's doorstep — by bombarding them with television advertisements designed to create "emotional attachment" to the park.

Attendance declined by a million from the previous year. Company officials declined to comment on reports that up to 10 percent of the visitors had entered on free tickets distributed to attract people on slack days in midweek and midwinter. But they said that people with free or reduced-price tickets contributed to overall earnings by spending in the stores and restaurants.

The decline in attendance coupled with price reductions at the park and its surrounding hotels reduced total revenue to 4.1 billion francs, from 4.9 billion. The hotels were 60 percent booked, which was slightly higher than the average in France, but earnings were down to 1.6 billion francs, from 1.7 billion, because the company had to reduce room prices.

In contrast, the Astérix theme park north of Paris reported its best ever season this year, with more than 1.5 million visitors, or 32 percent more than the previous year, and net profits of 126 million francs on revenues of 126 million francs.

Mr. Bourguignon said Euro Disney was on course toward making an operating profit in 1996. But he acknowledged that the huge real-estate development earnings once forecast by the company had vanished like the pot of gold at the end of a rainbow. "That market has disappeared," he said, at least for now.

Earnings are down not only because there are fewer visits but also because those who do

come spend less than originally envisaged on food and souvenirs. On average, each visitor spends 248 francs in the park on top of the 250-franc summer entrance fee and 880 francs on hotels.

"That's still insufficient," said Mr. Bourguignon. He acknowledged that the park was still trying to shake off its image as an expensive place to visit.

Mr. Bourguignon said cost-cutting measures, including a 10 percent reduction in staff, had not resulted in any loss of quality. In fact, he added, there are 20 percent more attractions than when the park opened, and the average wait to get onto the attractions has gone down 45 percent.

Euro Disney is also about to conclude studies for a new conference center, which will be funded by Prince Al Walid bin Talal ibn Abdulaziz of Saudi Arabia, who acquired a 24.6 percent stake in the company earlier this year.

## AIRPORT: China and U.K. Finally Agree on Hong Kong Financing Plan

Continued from Page 1

Kong, was more guarded, saying he hoped Britain would carry out the accord after it was signed. He noted also that improved cooperation between the two sides "would depend on British actions," according to a report on local RTHK radio.

"The next step will be to move ahead urgently with the financial support agreements for the two projects so that the Provisional Airport Authority and the Mass Transit Railway Corporation can go out and borrow in the private sector," a Hong Kong government spokesman said.

Construction of the airport on a nearby island and a railroad linking it to central Hong Kong is well under way, financed so far by the legislature's willingness to continue approving disbursements fiercely opposed by Beijing.

China's endorsement of the project, however, will allow the Hong Kong government to issue bonds that will be repaid after 1997.

Despite progress on the airport negotiations, China recently started Hong Kong by calling into question arrangements agreed on in 1991 for the make-up of the Court of Final Appeal, the territory's highest court, after 1997.

Beijing's bitter opposition to a package of democratic reforms introduced by Hong Kong's governor, Chris Patten, and endorsed by the legislature in June this year has prompted a Chinese pledge to abolish the colony's legislature in 1997 and replace it with another chamber more to its liking.

China has also suggested that an alternative, appointed legislative body be formed before 1997 to prepare for the transition, a move Britain strongly opposes.

"Unless these issues are resolved, we are looking at a potential legislative and judicial vacuum at handover," said Nick Moakes, an analyst with S.G. Warburg Securities, echoing widespread local concern that Chinese and British priorities in planning for the handover have recently taken divergent paths.

In a speech to the Legislative Council on Thursday that ignored Beijing's hints it would link the arrangements for the Court of Final Appeal, Mr. Patten urged legislators to endorse an agreement that would include a foreign judge on the court.

Local legal circles and many legislators have argued that the Joint Declaration covering arrangements for Hong Kong's future administration signed 10 years ago

contains provisions for more than one foreign judge on the high court.

"I don't dispute at all that this Court of Final Appeal that we are going to propose is not as superb an institution as some members would like," Mr. Patten said. "Much of life is about choosing whether to settle for the good as opposed to the best in order to avoid the worst, and this is one such occasion."

Also on Thursday, a spokesman for China's Foreign Ministry, Chen Jian, signaled a more conciliatory stance on relations with Britain, welcoming a call made by Britain's foreign secretary, Douglas Hurd, for closer ties in a meeting with his Chinese counterpart, Qian Qichen, a month ago in New York.

Reversing Chinese statements made earlier in the year, Mr. Chen said differences over Mr. Patten's democratic reforms should not hamper cooperation "on questions concerning other aspects of Hong Kong's political system, Hong Kong people's livelihood and other issues of a larger scope."

He added, "We wish to see the improvement of Chinese-British relations at the earliest possible time."

## In Ireland, Women's Movement Stalls

New York Times Service

DUBLIN — When a prominent leader of the women's movement, Frances Fitzgerald, was elected to Parliament two years ago, both her own career and the movement itself seemed on the rise in a conservative society where gains for women have been slower than elsewhere in Western Europe.

Ms. Fitzgerald, 44, a social worker who had been chairwoman of the Council for the Status of Women, was touted even by some male politicians to become prime minister, a job no Irishwoman has held.

The women's movement had been energized by the election in 1990 of Mary Robinson as president, the first woman to hold that job in Ireland. And members of the movement were exhilarated by the election of 20 women to

the 166-member Parliament in 1992, compared with 13 the previous session.

Several issues seemed ripe for debate and change. The virtually total prohibition by Ireland on abortion and its ban on divorce seemed vulnerable to liberalization. The women's campaigns for equality in employment and pay and government aid for child care seemed to be making progress.

But Ms. Fitzgerald guessed wrong in a political struggle within her own party, Fine Gael, sidelining her politically. And the legislature gains the women's movement sought have been blocked.

"There is a hiatus," she said in an interview as Parliament began its autumn session. "The movement is at a new crossroads. It's in a different phase, more demanding. Any social movement goes up and down."

She attributed the slow-down to a natural progression from a radical movement to a mainstream one. "We've got the government accepting the principles of equality, change, quotas, securing rights of children," she said. "Once you get the message accepted, it's harder to deepen it."

While more women are being appointed to government boards and the government is increasing financing for child care, the changes the women's movement feels necessary to give women more control over their lives have not been made.

Only 30 percent of Irish women work outside the home, the lowest in the European Union. The birth rate of about 2.5 children per woman is declining, but is still the EU's highest.

Ms. Fitzgerald said the women's movement in Ireland has been slowed by the strong

opposition that surfaced in public debates over abortion.

The issue moved into the headlines in early 1992, when a 14-year-old girl who said she had become pregnant after being raped by a friend's father was refused permission to travel to Britain for an abortion, as an estimated 5,000 Irishwomen do every year.

The Supreme Court finally allowed her to have the operation, and the case drew international attention.

That led to a vehement national debate, and Parliament finally approved a proposal to liberalize conditions for abortion. But voters turned it down in a referendum.

When it came into office early in 1993, the government promised a referendum on divorce — now banned by law — for this year, but that has been put off.

—JAMES F. CLARITY

## BELLS: For Whom Some German Villagers Toiled

Continued from Page 1

factory in Western Germany. Yes, the factory happened to have a bronze B bell. Its price: 10,000 DM. The order must be placed by Friday because another church was also interested in it.

At 4 P.M. that day an emergency council was held in the Herschdorf parsonage among the three village bell-ringers, a neighbor and the Steinhöfel. How could they find the money in such a short time? Musing aloud, Mr. Steinhöfel said, "A village without bells is a dead village."

That phrase became the theme of a handwritten letter they composed at the kitchen table in the following half-hour. Addressed to every family in the village, it described the emergency and appealed for donations. Its closing plea: "Please come to the parsonage tomorrow and tell us if you can help."

There is only one photocopy-

ing machine in Herschdorf. In the next two hours, as the machine slowly printed out 150 copies, the Steinhöfels and their neighbor began delivering them to every house. They finished at 9:30 P.M.

At 8 the next morning, a man knocked at the parsonage door and handed Mr. Steinhöfel 100 DM. He was not a church member, but said, "The village wouldn't be the same without the bells." Then came a woman, a church member, who pledged 300 DM, payable as soon as her son came home from vacation.

Throughout the day, people stood in line outside the parsonage with cash in hand or pledges. By nightfall, the 10,000 DM goal had been reached. Donations continued to come in for several more days, bringing the total to 15,000 DM. (A "godsend," Mr. Steinhöfel said, since it was later discovered that the beam holding the bells also had to be replaced, at a cost of 5,000 DM.)

Ten days later, villagers lined the street in front of the church to watch the new bell being delivered. Mr. Steinhöfel said a few words; the ringers wreathed the bell with flowers, and the village brass band played the only religious tune they knew: Handel's triumphant melody "Thine Is the Glory."

But the bells could not be rehanging until the steeple was finished. As it turned out, this came just a couple of days before the fall festival to give thanks for a bountiful harvest. On that October Saturday, a throng gathered around the church just before noon. A chair was brought for the village blacksmith, for many years the repairman for the church clock, who rose from his sickbed brought a bottle of Champagne and poured glasses for the three bell-ringers.

At noon, after Mr. Steinhöfel's prayer of thanks, the three bells of Herschdorf rang out again.

TO CUT THROUGH

THE HASSLES OF USING

A FOREIGN PHONE,

CUT ALONG THE DOTTED LINE.



COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS
American Samoa	633-1000	Cyprus	080-900-01	Japan (JOC) (English)	0086-55-877	Peru	190	Turkey	00-800-1-477
Antigua (dedicated phone)	20	Czech Republic	002-980-187	Japan (JOC) (English)	0031-131	Philippines (BTH stations only)	105-01	U.S. Virgin Islands	1-800-877-4000
Antigua (pay phone)	1-800-366-4663	Denmark	800-1-0277	Japan (JOC) (English)	006-55-888	Philippines (PhilCom)	105-16	U.S.A.	1-800-877-4000
Argentina	001-800-777-1111	Dominican Republic	1-800-751-7877	Korea	0082-12	Philippines (PLDT)	105-16	Ukraine	1-800-877-4000
Australia	61-6-183	Ecuador	171	Korea (Daewoo)	0082-16	Poland	00104-800-113	United Arab Emirates	0090-131
Australia (Optus)	008-531-110	Egypt (Cairo)	256-8777	Korea (KT)	0082-16	Portugal	00351-1-477	United Kingdom (BT)	0800-89-0877
Australia (Telstra)	1-800-481-477	Egypt (Suez Canal)	00358-4777	Kuwait	00967-777	Puerto Rico	1-800-577-3000	United Kingdom (Mercury)	0800-89-0877
Austria	0043-1-477	Finland	00358-4777	Laos	155-7777	Romania	01-800-877	Uruguay	00598-131
Bahamas	1-800-389-2111	France	0033-1-100-100-3	Lithuania	00370-100-3	Russia (Moscow)	155-4123	Veracruz City	0052-217
Barbados	1-800-877-8000	Germany	0049-1-0284	Latvia	00371-100-3	Russia (St. Petersburg)	007-800-155-4123	Venezuela	0058-111-110
Belgium	0032-1-0284	Greece	0030-1-0284	Lebanon	00961-100-3	Saudi Arabia	00966-155-4123	Venezuela (Spanish)	800-111-110
Belize	550	Hong Kong	00852-100-3	Malaysia	0060-100-3	Singapore	190		
Bolivia	594	Hungary	0036-1-0284	Mexico	0052-100-3	Taiwan	190		
Brazil	1-800-423-0877	India	0091-100-3	Mexico (Mexico City)	0052-5-800-100-3	Taiwan (Taipei)	190		
British Virgin Is.	0084-100-3	Indonesia	0062-100-3	Mexico (Tijuana)	0052-6-800-100-3	Taiwan (Keelung)	190		
Canada	1-800-877-3000	Israel	00972-100-3	Mexico (Zacatecas)	0052-5-800-100-3	Taiwan (Mao)	190		
Chile	0056-100-3	Italy	0039-100-3	Mexico (Zacatecas)	0052-5-800-100-3	Taiwan (Nantao)	190		
China (English)	0086-100-3	Japan	0081-100-3	Mexico (Zacatecas)	0052-5-800-100-3	Taiwan (Penghu)	190		
China (Mandarin)	0086-100-3	Kenya	00254-100-3	Mexico (Zacatecas)	0052-5-800-100-3	Taiwan (Yonghe)	190		
Colombia (English)	0057-100-3	Korea	0082-100-3	Mexico (Zacatecas)	0052-5-800-100-3	Taiwan (Yonghe)	190		
Colombia (Spanish)	0057-100-3	Kuwait	00967-100-3	Mexico (Zacatecas)	0052-5-800-100-3	Taiwan (Yonghe)	190		
Costa Rica	00506-100-3	Laos	00856-100-3	Mexico (Zacatecas)	0052-5-800-100-3	Taiwan (Yonghe)	190		
Croatia	00385-100-3	Lebanon	00961-100-3	Mexico (Zacatecas)	0052-5-800-100-3	Taiwan (Yonghe)	190		

Country codes: 00 = international access code; 1 = long distance; 001 = toll-free; 00800 = 800 number; 00900 = 900 number; 00911 = 1-800 number; 00912 = 1-800 number; 00913 = 1-800 number; 00914 = 1-800 number; 00915 = 1-800 number; 00916 = 1-800 number; 0091

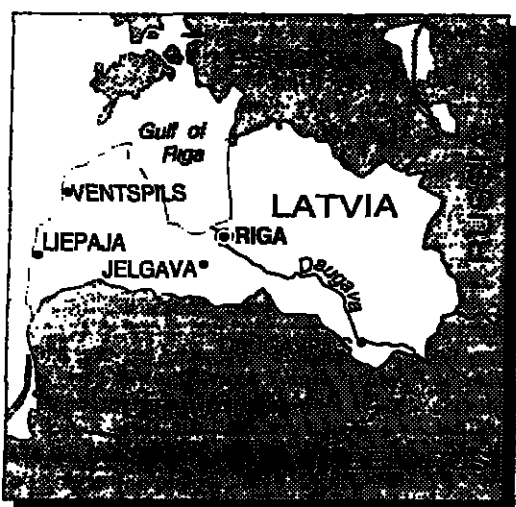


SPONSORED SECTION

SPONSORED SECTION

# LATVIA

Immutable as the Riga skyline, Latvia's independent spirit is shaping an efficient Baltic economy.



Bordering Estonia, Lithuania, Russia and Belarus, Latvia is an important regional transit point.

## The Republic of Latvia

Area: 64,589 square kilometers (25,000 square miles)  
Population: 2.38 million  
Capital: Riga (pop. 690,000)  
Other major cities: Daugavpils (128,000), Jelgava (114,000), Jurmala (85,000)  
President: Guntis Ulmanis  
Prime Minister: Maris Gailis



## STRUCTURING AN ECONOMY OF LEGACY AND NICHE

The Latvian economy has now returned to growth, with a 1 percent to 4 percent increase forecast for 1994.

Small countries live off their reputations, and Latvia is living quite well off its reputation at the moment. The "Switzerland of the Eastern Baltic" is how three of Western Europe's leading dailies labeled the country in recent articles, a reference to both the country's perceived attributes and its current way of earning a national living.

Like Switzerland, Latvia has a reputation that stems from the world's appreciation of its finances and financial sector. The Latvian government has shown a Swiss-like abhorrence for unbalanced budgets, trade deficits and debt loads. Latvia has a rock-hard currency, the lat, whose strength comes from the respect accorded to the Latvian banking system's efficiency, probity and reliability. Also like that of Switzerland, Latvia's financial sector is thriving on inflows of funds seeking a safe haven from political and economic uncertainty.

two-thirds of the rest. Once riven by segregation and mistrust, but now aided by increasingly conciliatory governmental policies, the country's ethnic groups are making steady progress toward a Switzerland-like pluralism.

### Successful survival

Although edifying, such comparisons don't even begin to encompass the vast accomplishments of the Latvian government over the last two short years," says Professor Manfred Meier-Preschany, who has been serving as the government's chief economic adviser since July 1993. "Nor do they imply the long, hard work that still lies ahead. Before anyone even thought of making ringing comparisons to Switzerland or Singapore, Latvia was confronting life-or-death questions about national economic survival. That has been Latvia's initial, most important accomplishment: surviving — and surviving well — the most wrenching readjustment imaginable."

Until independence, Latvia was an integral part of the Soviet Union's economic and energy supply systems. As late as 1990, transactions with the dissolving Soviet Union directly accounted for half of Latvia's gross domestic product and 95 percent of its total trade.

Transit transactions Today, trade with the Soviet successor states amounts to around 40 percent of the country's total. Since much

of that stems from transit transactions, Latvia's "net exposure" to the CIS is said to be about 10 percent of GDP. By tapping new sources of supply and reconfiguring existing networks, "Latvia is no longer energy-dependent on Russia," says Adrians Davis, chief executive officer of the country's natural gas authority. A sign of change: environmentally friendly natural gas now accounts for 40 percent of the nation's energy budget. This shift is one factor behind the noticeable improvement in the country's ambient environment, seriously strained under the Soviet system.

### Back in the black

In fact, as Mr. Meier-Preschany points out, Latvia has been doing more than merely surviving. After the first two post-independence years' plunges, the country's economy made a return to the growth columns in mid-1994, with forecasts now ranging between 1 percent and 4 percent. During this time, the country's private sector has been undergoing a major expansion. Since 1991, some 60,000 companies have been founded, of which an impressive 4,000 are either partially or totally owned by outside investors from 80 countries. Net purchasing power per capita has risen 18 percent over the past three years, suggesting the source of the obvious prosperity to be seen in Riga and in other major cities: a "shadow economy" of considerable size.

"Survival has, to a great extent, come from the

niche," says Mr. Meier-Preschany. "Lasting, deeply based prosperity is going to come from employing the niche's resources. Impetus and contacts to restructure the 'legacy' economy, I've seen a lot of business talent, patient industriousness and hard-headed common sense in this country, and it's going to take all of those qualities to redo the legacy economy."

Latvia's niche is handling transit trade between the main mass of the CIS countries and the outside world, and providing related storage, finishing, assembly and financial services. This niche is large. Transit trade accounts for some 90 percent of the cargo transported through the country's three largest ports: Ventspils, Riga and Liepaja. The niche is also a good provider for Latvia, keeping 1993's balances of trade, payments and services all in the black.

### The Soviet legacy

The legacy economy is the patchwork of aging industrial conglomerates built by the Soviets, and the local monoliths existing around them, often the sole sources of employment for communities. "There's another legacy from the past: the great stock of highly qualified, entrepreneurially minded people working at the conglomerates," points out Janis Zvanitajs, Latvia's economics minister. "Many green shoots are springing up in local communities. Our job is to interlink the niche and the legacy economy, to put our international

business community on-line with our local communities."

In fact, according to the latest statistics, that process has already started. Manufacturing output is currently up 10 percent over the previous year, led by a fast-growing, successfully exporting food-processing industry. "Real" (included unreported) unemployment seems to have peaked at 8 percent. Announcements of major investments in manufacturing companies have become standard fare in local newspapers. The upcoming wave of privatization is expected to put the restructuring of the legacy economy into full gear.

The new vibrancy Still, economic statistics tell only part of the story of Latvia's transformation, according to Vita Anda Terauda, one of the many Latvian-Americans taking part in rebuilding the country. A holder of dual citizenship, Ms. Terauda is the country's minister of reform.

"For most Latvians, the transformation has been experienced as a profusion of colors, possibilities, issues and, of course, concerns and worries," says Ms. Terauda. "Most of all, it's been perceived as a fast-paced flurry of events. Sometimes I have to simply stop and ask myself what happened to the Riga of bread lines and drab buildings and cold, uncomfortable rooms. That city has so little in common with today's vibrant, well-functioning Riga."

Terry Swartzberg

## Useful Addresses

**LAA** Latvian Development Agency  
2, Pēteris St. 1442 Riga  
Tel.: (371 2) 28 79 95 or 28 34 25  
Fax: (371 2) 882 04 58 or 28 25 24  
Uldis Vitols, Director

**LPA** Latvian Privatization Agency  
31, K. Valdemāra St.  
1010 Riga  
Tel.: (371 2) 32 13 38  
Fax: (371 2) 88 30 83

**Ministry of the Economy**  
36, Brīvības bulvāris  
1018 Riga  
Tel.: (371 2) 228 84 44  
Fax: (371 2) 228 08 82

**Latvian Tourist Board**  
4, Pils laukums  
1050 Riga  
Tel.: (371 2) 32 75 42  
Fax: (371 2) 22 90 45

Functional and dynamic In a description worthy of Switzerland, Latvia is viewed as "a place that works." In the words of a Riga-based German chemical executive, it is a place "where officials are responsible and their actions accountable, where it is possible to process trade documents, make a telephone call and get a supplier on short notice."

The country also features a Swiss-like ethnic makeup, with ethnic Latvians accounting for 52 percent of the population, and Russians

## PRIME MINISTER GAILIS SPEAKS ON LATVIA'S CHALLENGES

Born in 1951, Maris Gailis earned a degree in mechanical engineering in 1978. After holding a number of industrial posts, Mr. Gailis entered politics in 1990, serving as director of the international economic relations department of the Latvian government. Over the next four years, he held a variety of ministry-level governmental positions before becoming prime minister on September 15, 1994.

Although they share ties of geography and history, the three Baltic countries have not been noticeably close or productive in the post-independence phase. What is the current situation?

Over the last three years, all three Baltic countries were often very occupied with coming to grips with their own national situations, and with defining and managing their relationships with Russia and other major

countries and groupings. As a result, our countries hadn't yet addressed themselves to filling in the practical details of the extensive, far-reaching ties mapped out in various agreements. Since June 13th and the founding of the Baltic Council of Ministers, we've been doing just that — focusing on such matters as further reducing border crossing times, devising common approaches to combating crime and harmonizing business-related laws and legislation. The first proposals are now being implemented, and they are already making a noticeable difference in our citizens' daily lives.

The integration of its various ethnic groups has been described as Latvia's biggest challenge. Latvians account for 52 percent of your country's population; two-thirds of the rest are Russians. Reports of problems with strict require-

ments for citizenship, including fluency in Latvian, have been appearing in the international press. Has progress been made in this area?

To describe this situation in terms of ethnic groups is misleading. Allegiances and perceptions of interest are the applicable criteria. Independence came unexpectedly and rapidly to many people resident in Latvia. Many of our country's non-Latvians had never planned to be part of an independent Latvia, nor to be here longer than a few years. They were thus left stranded here by events. And many of these people would like to return to Belarus or Ukraine or Russia, but are facing administrative and financial hurdles to their doing so. We're working on eliminating these barriers on a bilateral basis.

Many non-Latvians actively demonstrated their allegiance to Latvia during our

country's drive for independence. Others have made it quite clear that they plan on making a life in Latvia for themselves and for their children, for very practical reasons. Our standard of liv-



"A nation's prosperity is the sum total of many individuals' prosperity. Many Latvians have fully exploited their best-in-a-lifetime chance to try out new fields of activity."

ing is relatively high; life here is attractive. For these people, and considering their depth of interest and length of time-frame, 10 years of residency and a passable command of their new country's language do not represent unreasonable or insurmountable obstacles. We are

seeing encouraging signs of integration from these groups. For instance, a growing number of Russian families are sending their children to Latvian-language schools. You have to re-

member one thing: Our citizenship requirements were formulated to clarify an unclear, rapidly changing situation that is now achieving a new normalcy. A very practicable modus vivendi is now emerging among Latvia's various ethnic groups.

Signs of a new prosperity are very evident in Latvia, even to the casual observer. Yet there are also reports of endemic poverty. Is Latvia achieving sustainable, broad-scale economic progress, or is this prosperity restricted to a few "pockets of plenty"?

Certain economic sectors were in our power to change, and in these areas we have acted decisively and quickly. The prosperity you're seeing has ensued from these changes. Although the move was widely criticized at the time, we set up our new currency, the lat, and made it the hardest one in the region and currently one of the hardest in Europe. Along with a freely convertible free trade, free banking and free investment policies. The result is that Latvia has now become the eastern Baltic's financial and trading center.

Like Hong Kong in the old days, we're handling a lot of the transit traffic between the CIS countries and the outside world, from as far away as Chile and China. As a result, our freight-processing sector is growing rapidly, along with trade-related finishing and manufacturing.

On a long-term basis, we can't grow without a high-achieving industrial sector. Parts of our food processing and consumer goods industries have already managed the turnaround, as has our construction sector. Other manufacturing operations, often funded by foreign investment, have started up, causing a strong, overall rise in manufacturing turnover. But the restructuring of our heavy industry, which was interlinked with the Soviet system, and particularly to its military-industrial complex, is proving a large job, requiring large amounts of

Interview by T.S.

سكرا من الامم



## SPONSORED SECTION

## LATVIA



Piece of cake? Most of Latvia's small businesses will be sold to their operators.

## PRIVATIZATION PROGRAM: END OF THE LEARNING PHASE

Spurred by recent legislation and the stock exchange, the main phase of privatization should be completed by 1996.

Until recently, almost all parts of Latvia's economic restructuring program were getting high marks from outside observers. The exception: the country's privatization campaign. Critics pronounced its procedures to be too time-consuming and complicated, its results too meager. Over the last six months, those knocks have given way to measured, sometimes even vociferous praise.

"The Privatization Agency's staff enjoys a very good reputation in Latvia's business community," says Maris Bendiks, financial analyst and designated chief executive officer of the Latvian Deposit Bank. "The consensus is that the agency has a very good grip on its companies and on the privatization process as a whole, and that the program is now quickly making up lost time as a result."

### Enter the Stock Exchange

This shift in informed opinion has been impelled by recent developments. After successfully conducting a Czech-style distribution of coupons to the country's citizens, the privatization

agency is now planning to put 121 major industrial companies up for auction in December. The auctioneer will be the neophyte Riga Stock Exchange, for which the newly privatized companies will form many of its blue chips, complementing a well-established government securities market and a budding securities market. Buyers are expected to be primarily investment funds.

"Early March's law of privatization gave a tremendous impetus and direction to the whole privatization process," explains Druvis Skulte, minister of privatization, "and has set its entire subsequent course. The law incorporated all of our looking at and learning from the other privatization programs in Central and Eastern Europe. It adapted and adopted their most successful features. In that respect, our period of relative waiting and watching is now proving to be our greatest asset."

### Smooth chain of operations

In much of Central and Eastern Europe, privatization is being carried out by competing bodies. Thanks to its

new law, Latvia has a single, well-functioning chain of privatization. In business since Sept. 1, the State Property Fund, residual "owner" of 1,500 nonprivatized industrial companies, does the groundwork for the privatization candidates, forming them into viable entities and factoring in investor input and interest.

After an appropriate cabinet-level decision, the enterprises are then handed over to the Privatization Agency's "company doctors," who put the finishing touches on the candidates and handle their sale. Founded on April 22, 1994 and headed by Janis Naglis, the agency currently has 228 companies under its wing.

Other features of the Latvian way of privatization: a judicious use of employee stock ownership plans — "enough to give employees a stake in their companies and a say in its running, but not exclusive control," in Mr. Druvis's words — plus the use of the "total price idea" of Germany's Treuhandanstalt, in which winning bids are those guaranteeing the largest total number of jobs, amount of capital

investment and up-front purchase price.

### Quick sales for small business

As is the case in other countries, very large and very small companies have their own privatization tracks in Latvia. By the end of the year, it is envisaged that virtually all of the country's restaurants, grocery stores and hairdressers will have been sold, mostly to their operators, in the so-called small-scale privatization. Such large, key companies as Latvia's telecommunications authority have been totally or partially privatized through international negotiation or tender.

Based on current projections, Mr. Skulte expects the main phase of the privatization program to be completed by 1996. "While further privatization will occur after that, the public sector will retain important stakes in certain key industries and in key companies," he says.

Mr. Bendiks agrees with this timetable: "It's getting to be a realistic, even conservative, goal," he says.

T.S.

## THE WELCOME MAT IS OUT FOR FOREIGN INVESTORS

The structure is now in place to accommodate investment from abroad.

The amount of foreign capital invested in Latvia since independence totaled about \$140 million through January 1994 — about half the direct foreign investment in neighboring Estonia over the same period. This was mainly due to the slow pace of privatization under previous Latvian governments, something that should change now that the state privatization agency has started its ambitious program to transfer 75 percent of state enterprises to private hands over the next three years and provide new opportunities for foreign investors.

"I'm very optimistic about the future business climate," says American-Latvian John Sillich, a trade representative for an American company in Riga dealing in electrical products. "Latvia has certain natural advantages — Riga is the largest city in the region, it's in the middle of the Baltics and has ice-free ports."

### The U.S. pioneers

By early this year, the greatest investment in monetary terms had come from the United States — Kellogg, Coca-Cola and accounting firm Price Waterhouse were early arrivals, while the ubiquitous McDonald's is due to open its first Baltic restaurant in Riga by the end of the year. The single largest investment, however, is in the telecommunications sector, a joint venture involving state-run Lattelecom and TILTS Communications, made up of the British firm Cable & Wireless (70 percent) and Finnish Telecom (30 percent). This \$160 million project will renovate Latvia's telecommunications network over the next three years. The total restructuring will take up to 10 years and could cost an estimated \$1 billion.

Other investors, such as Kellogg, see Latvia as a jumping-off point for exporting to the other Baltic countries and to Russia. Kellogg opened its first East European factory outside Riga in a \$22 million greenfield investment and has already started exporting to Lithuania and Estonia.

### Small is beautiful

Although Western companies are most visible thanks to mass advertising campaigns, Latvia's close ties with Russia have provided many more investments. Over a quarter of the joint ventures in the country are with Russian partners, followed by Germany (12 percent), the United States (8 percent) and Sweden (7 percent). Overall, it appears that investment is dominated by companies

with relatively small capital investments and that targeting tax advantages toward large investments of over \$50,000 has not yet achieved the results anticipated.

The main areas of investment are forestry, wood processing, cellulose and the paper industry, light manufacturing, telecommunications and construction. Forests, about half of which are pine, cover about 43 percent of the territory of Latvia. This is regarded as an attractive area by many Scandinavian countries as well as by Britain, currently the largest importer of Latvian timber.

### Spreading the wealth

Latvia has yet to realize its potential for investment — well over 80 percent of the total capital is in Riga, and investors await the results of privatization. There is, however, competition among the Baltic states themselves and also with the larger St. Petersburg market of 10 million. Both Tallinn and Riga are eager to develop their ports and exploit their positions as gateways from East to West.

No one is more aware of the need to woo investors than 30-year-old Uldis Vitolins, economics postgraduate of the University of Latvia and director of the government-funded Latvian Development Agency. "At the moment, one of our main problems is a lack of resources to restructure our economy," he confesses. "We have ideas, plans and skills, but we have no money. We need not only investment, but also knowledge about markets and management."

### Young and restless

The agency's aim is to promote Latvia as a place for investment, working in tandem with the Privatization Agency and the Riga Stock Exchange, due to open early next year and headed by Harvard MBA Karlis Cerbulis. The younger generation at the head of Latvia's financial institutions is impatient — the agencies and laws are in place, there are few restrictions on foreign capital entering the country and foreigners can lease land for up to 99 years — but the investment is slow to arrive.

"The main aim is to get big names into Latvia," says Mr. Vitolins, who looks forward to foreign investment increasing now that the state is selling companies off; the government has stabilized and the Russian troops have gone.

Samantha Knights

## REORIENTING INDUSTRY

New markets and development are the first priorities.

Today, privatization and restructuring toward an export-oriented market are slowly shaping Latvia's growing service sector, while the main industries — timber and wood processing, electrical engineering, construction and light manufacturing — are looking for foreign investment and know-how.

Privatization of industry is still in the early stages, with about 70 percent of industry still in state hands. The government's new rapid privatization scheme for the next three years aims to change this by developing rural areas, communications infrastructure and transport and by introducing new technology.

### In search of lost markets

"We have many attractive sectors and good knowledge in the engineering industry, but our enterprises have lost their markets," says Uldis Vitolins, director of the government-funded Latvian Development Agency.

Figures for industrial output have shown a steady decline in the last few years, dropping by 34 percent in the third quarter of 1992 from the same period the previous year and by 38.1 percent last year.

To reverse this downward trend, according to a World Bank report, Latvia will need to reduce its dependence on the supply of goods from monopolies in Eastern countries and to decrease its consumption of energy resources. This is particularly important for the energy sector, as Latvia has no energy resources of its own and buys oil from Russia and electricity from Estonia.

### Power generation

To reduce dependence on imports, the energy utility has studied plans to build two cogeneration combined heat and power plants and to develop the hydroelectric potential of the River Daugava, as well as renewable resources such as wood and peat. These plans will require an investment of about \$2.5 billion to complete. Energy was once Latvia's chief export and import, as fuel from Russia was transported to the West via Latvia's oil terminal at Ventspils; it remains an important industry today.

Timber is one of Latvia's least-

tapped natural resources: forests cover over 2.6 million hectares, or about 43 percent of its territory. Last year, only 60 percent of the amount permitted to be felled was used, and over the next 10 years, the permitted volume is to increase to 8 million to 9 million cubic meters annually, making it attractive to future investors. The capacity of the wood-processing industry is also underdeveloped, due to a lack of both technology and money. According to data from the Latvian Development Agency, production has begun to increase, particularly in plywood.

### New trade agreements

The engineering sector, which grew rapidly under Moscow's control — contributing 26.3 percent of industrial output and 39 percent of industrial employment by 1990 — has suffered heavily. A large share of the output from the electronics industry and shipyards was used by the military, while other companies, such as VEF, the supplier of telecommunications equipment throughout the Soviet Union, had monopoly status.

Today, a few industries have renegotiated trade agreements with the newly independent countries of the former Soviet Union. The railroad car plant AVA, for example, is still producing for markets farther to the east, while there has been considerable interest in metal bought in Russia and shipped out to the West through Riga. The port of Liepaja, occupied by the Soviet military until this year, is also rapidly becoming a commercial port.

### Exports looking up

On a smaller scale, clothing manufacturers and textiles have succeeded in reorienting their markets westward. Latvian companies have joined up with foreign partners to form joint-stock companies such as Velme, Saiva and Rita, which import materials and export ready-made clothing. Two footwear producers, Redeber and Redex, have set up joint ventures with the German company Delta, while overall exports of light manufacturing goods and services to Western countries have already increased from \$7 million in 1992 to \$36 million in 1993. S.K.

## A MORE COMPETITIVE BANKING SECTOR TAKES SHAPE

Latvia's banking sector is "slowly shaping up," with "about half a dozen banks offering reasonable services," says Michael Walsh, manager of foreign reserves at the Central Bank. The banks are competing aggressively for deposits and the Russian capital already propping up a large number of banks. A sign of growth is the increase in time deposits held by private individuals in banks, from 15.3 million lats in January 1993 (\$29.4 million at current exchange rates) to 117.9 million lats by the end of the year.

At the top end of the spectrum, mergers and privatization are hot issues. Among them is the future sale of one of the three remaining state banks, the Universal Bank. The giant of Latvian banks, Parex, and the

smaller Latvian Deposit Bank are competing for the bid, while the Deposit Bank has recently merged with the commercial Centra Bank. Riga Commercial Bank has chosen to issue shares publicly to raise its share capital; its fourth issue of \$44 million was the largest public issue in Latvia to date.

### The credit gap

The race to attract deposits has forced interest rates sky high. At the start of 1993, annual interest rates on short-term credit to enterprises and individuals were above 100 percent, and today are around 60 percent, making it nearly impossible for companies to borrow locally.

Moreover, long-term loans are not available except through the Latvian

Investment Bank, set up with the Bank of Latvia as a shareholder and later joined by the European Bank for Reconstruction and Development to channel long-term loans into small enterprises.

### New regulations

Regulating Latvia's 56 banks is no small task for the Central Bank. But the grip of the Central Bank is tightening. In moves toward scaling down the sector, a number of banks have had their licenses revoked, mostly due to credit policies. The Bank of Latvia has also set a minimum capital requirement of 1 million lats, which is to be reached by all banks by early 1996.

For the future, Riga, with its money, banks and open-door policy to

foreign capital, has been put forth as a financial center for the Baltic region and an offshore banking center, something Uldis Vitolins, director of the Latvian Development Agency, believes is possible.

Latvia's monetary policy is tight, but investment in hard currency cash instruments has been launched by Structured Investment Engineering Ltd. in conjunction with the International Bank of Riga. It will invest primarily in short-dated Treasury bills and certificates of deposit issued by leading banks in Latvia and Lithuania. Says Aigars Sevels, chief executive officer of Baltic Asset Management Ltd., "Demand is fueled by the Baltic entrepreneurs' need to trade in hard currency with, for example, Russia." S.K.

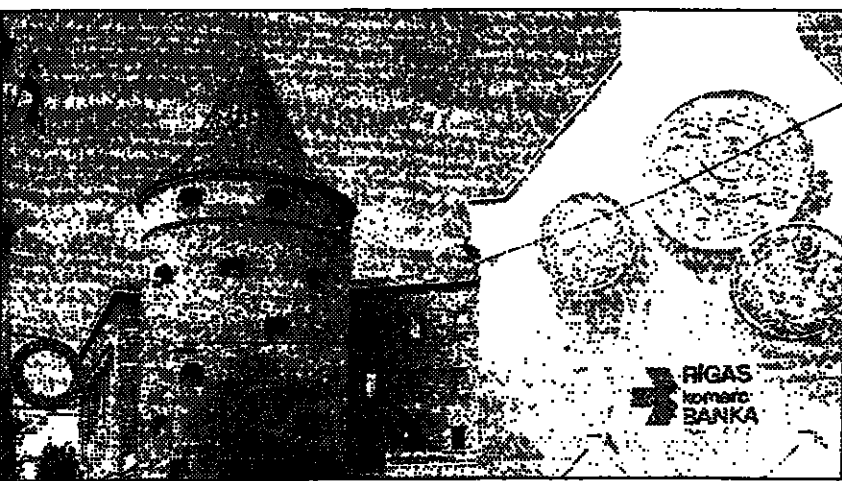
## FREEING LATVIA'S FINANCIAL STRENGTH

Latvia's freedom isn't just political.

The lat, the national currency, is freely and unlimitedly convertible, with both local and foreign companies enjoying free access to international capital markets. Companies and individuals are free to maintain accounts in whatever hard currency they desire. Investors are free to take stakes or found companies in whatever amount or whatever sector, with the exception of agriculture. Both profits and investment capital can be freely repatriated. Following the British model, non-Latvians are free to buy 99-year freeholds anywhere in the country.

### A strict fiscal hand

This freedom is a product of the Bank of Latvia's very strict, even draconian hand. Founded in 1990, it began full operations in September 1991. The bank quickly and rigorously instituted a wide range of far-reaching measures: it freed prices from their controls, set up a banking system and slapped strict capital adequacy rules upon it, and kept money tight and expensive. In a daring



Building on a solid currency: tight monetary policy is paying off.

step, the bank introduced first the "Latvian ruble" in May 1992, then rechristened and redesigned it as the lat in March 1993. The lat was made the country's sole legal tender in June 1993.

### Already a role model

Says Professor Manfred Meier-Preschany, senior international banker and chief economic adviser to the Latvian government, of the Bank of Latvia: "They're a highly capable and totally professional group of people, and they're doing a good job."

Mr. Meier-Preschany's opinion is shared by both the international financial press and local citizens. A recent article in Germany's Handelsblatt called the Bank of Latvia "a Bundesbank in the making" and described its

president, Einars Repse, as "a role model for Central and Eastern Europe's central bankers."

Ilmars Rimsevics, the bank's deputy governor, agrees: "There is now a great affection for the bank and the lat on the street," he says. "But a year and a half ago, we were the most unpopular people in Latvia. Inflation was rampant and no one was sure if the new currency was worth the paper it was printed on."

### Whipping inflation

Since then, the rate of inflation has declined from 65 percent a month to 0.2 percent in late spring, and has since hovered between 1 percent and 2 percent a month. "Inflation will continue to fall as the aftereffects of the freeing of prices and of the institution of a val-

ue-added tax work their way out of the economy," says Mr. Rimsevics.

In addition to their native talents and plain guts, Latvia's central bankers could call on another, invaluable asset in setting up a Western-style financial system: the support of their government. "The Latvian government has shown a willingness to take unpopular measures and make them stick," reports a recent survey of the Latvian economy conducted by Germany's Manager magazine.

### Backing for the lat

By curtailing public-sector expenditures, the government recorded a budget surplus in 1992 and 1993 by its own accounting; outside figures speak of a modest 3 percent of gross domestic product deficit in 1993. Public-sector foreign indebtedness is a minuscule \$86 per capita, and that is more than covered by the Bank of Latvia's steadily growing hard currency reserves, providing the lat with ample backing.

"Success has quite a few parents" runs the maxim. In the Bank of Latvia's case, instead of parents, perhaps "generous, watchful godparents" would be more accurate. The IMF has provided the bank with both money and technical expertise, as have other international banks and national central banks.

Of particular assistance has been one institution, which was itself founded in the aftermath of war and economic collapse, and also charged with the defending of a new, untested currency: Germany's Bundesbank. T.S.

"LATVIA" was produced in its entirety by the Advertising Department of the International Herald Tribune. It was sponsored by the government of Latvia. WRITERS: Samantha Knights is a business and economics writer who covers Baltic affairs. Terry Swartzberg is a business writer based in Munich. PROGRAM DIRECTOR: Bill Mulder.



# L A T V I A



## MILESTONES OF LATVIAN HISTORY

Six dates highlight Latvia's recent history.

November 18, 1918: Latvia gains its independence, putting an end to some nine centuries of outside rule, including nearly 200 years of first partial, then total, Russian domination. The period's high points had been the founding of Riga in 1201 and the city's subsequent joining of the Hanseatic League in the year 1282.  
June 14, 1940: The Soviet army occupies the country, beginning five decades of Soviet control.  
July 28, 1989: Latvia proclaims its sovereignty.  
May 4, 1990: Latvia reasserts full independence. The Soviets retaliate with an economic blockade and then with a protracted occupation of Riga.  
August 21, 1991: After negotiations and a plebiscite, Latvia becomes fully independent.  
August 31, 1994: The last Russian troops depart from Latvia, except for a few stragglers; a radar station will remain under Russian control for another five-year transition period.

T.S.

## GETTING AROUND

Traveling around the country poses little problem.

Riga is highly compact, and thus walkable. It takes less than 30 minutes to cross the entire inner city, some 54 hectares in size. Taxis are reliable, and drivers will provide receipts unasked. Rental cars are available at Riga airport — spankingly modern and only 15 minutes, 7 kilometers and a \$12 cab fare away from the center of downtown. The country's highways are adequate, and the "Via Baltica," the main trans-Baltic highway, is quite good. Buses and trains run throughout the country, but the buses are quicker and more frequent.

Getting into Latvia is also easy. Visas are dispensed at the border or at Riga airport, and cost between \$20 and \$40, depending on the frequency of the traveler's visits. ("Americans get in free of charge," remarked the young official at the visa counter.) Holders of British passports do not need a visa at all.

### Getting there

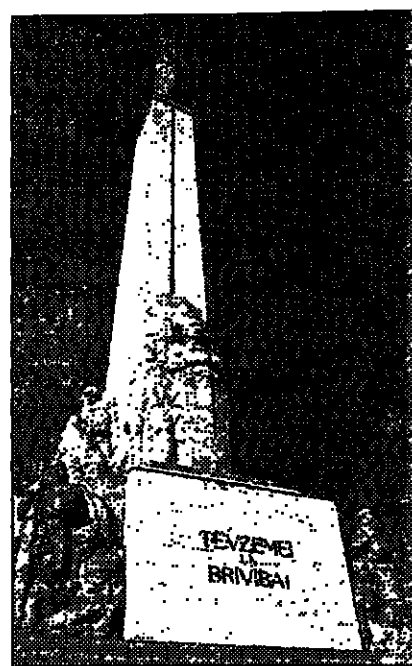
Getting to Latvia used to be either time-consuming, expensive or both. This is changing. While international rail and road links remain slow, air access is improving. Increased competition is bringing down fares. There are now 13 carriers serving the country, providing 85 weekly connections to 15 international destinations.

Ferry service remains an easy and economical way for those traveling by car to enter the country, with service from Copenhagen (three times a week), Kiel on

Germany's north coast (twice a week) and Stockholm (weekly). Travel times: 36 hours from Copenhagen, 40 hours from Kiel.

### On the ground

Latvia's banking sector is on a par with those of Western Europe, and telecommunica-



The Freedom Memorial.

tions are improving rapidly. The lat is fully convertible, and banks are thick on the ground in Riga. Current exchange rate: 1 lat = \$1.35. Dollars and Deutsche marks are also widely accepted, as are credit cards. Excluding occasional lapses, international telephone calls go through with a minimum of difficulty.

At latest count, Riga had 34 hotels with a total of 5,000 beds. Accommodation is widely available, especially in such tourist areas as Jurmala and the Gauja region. A whole generation of restaurants has sprung up in the country, featuring eclectic mixes of local cuisine and foreign specialties.

T.S.

## RESPLENDENT RIGA AWAITS THE RUSH

Latvia offers travelers a once-in-a-lifetime opportunity.

Riga has been recently and wonderfully restored almost entirely to its former, fabled beauty. And few in the West have yet discovered it.

"Few" is, of course, only a relative term; tour groups will soon start streaming into this resplendent city. Tourist arrivals in Riga rose 15 percent in 1993, and are expected to rise 70 percent in 1994. These tourists, mostly from nearby Sweden and Finland, have joined the Latvians in filling the Doma and "Big Guild" squares, Riga's equivalents of Prague's Wenceslas Square and Charles Bridge. But the Nordic travelers' enthusiastic reports of Art Nouveau mansions, medieval guild and concert halls and greenery have not yet seeped into the global travel consciousness.

### Historic cityscape

Lack of information and a lack of access long kept Riga out of the world's sight and mind, but signs are that both these constraints are rapidly disappearing. Students of architecture and guidebook writers are now seen prowling the Elizabetes and Albert streets, comparing notes on the glories created by Mikhail Eisenstein, father of the well-known film director and the seminal designer of late-19th-century Riga. In one mid-October week, Riga was given top billing in two German travel magazines. Once prohibitively expensive, airfares are now coming down to West European standards. Even better, carriers have started to offer special weekend and "Get to Know Riga" rates.

Every year, millions of people go to Prague and Siena in search of a city where the past is preserved in all its glory. This is also true of Riga, where for 700 years, the city's rulers and merchants, from Baltic barons to Hanseatic traders, German burghers and the Jewish entrepreneurial intelligentsia, added their own characteristic structures.

### Monument to independence

"In their own odd way, the Soviets must have loved the city — there's no other explanation for it," says Juris Avotins, a staff member at Latvia's Ministry of Information. By this he means that the Soviets neither repaired nor renovated most of Riga's structures, and refrained from adding their own architecture. Only one Stalin-era building — the Hotel Latvia — marks the venerable cityscape.

"Nor did they tear down the Monument of Liberation; I can't understand it," Mr. Avotins continues. Completed in 1935, the monument remained a symbol of Latvian independence throughout the Soviet era. It was at the monument, on January 15, 1991, that four Latvians died defending that independence. Today, an honor guard keeps watch.

Every few minutes or so, a small group of Latvians arrives at its base, deposits a wreath of flowers and then quietly leaves. For them, independence, awaited for a millennium and then, after a brief interval, for another five decades, is embodied here at what has essentially become Riga's greatest tourist attraction.

### On beyond Riga

Greater Riga has 1.2 million inhabitants, just under half the country's population, which means that most of the rest of Latvia is non-urban. Half an hour by car west of Riga, Jurmala's hotels and dunes draw hundreds of thousands of tourists a year. Beyond Jurmala is the Kurzeme (better known as the Courland) peninsula, a true arcadia — and behind that the "real" Baltic coast.

Some 53 kilometers to the northeast of Riga is Sigulda, jumping-off point for the Gauja national park. This captivating region is a tapestry of rivers, lakes and forests studded with gracious and forbidding castles.

T.S.



## LATVIA'S CROWDED EUROPEAN AGENDA

Ties are being forged with the EU and other bodies.

We'll have a full association agreement with the EU, similar to the ones between the Union and the Visegrad Four, by the end of the year," says Valdis Birkavs, Latvia's distinguished foreign minister. If so, it will cap a long list of impressive accomplishments achieved by Latvia in a relatively short time.

Taking the place of 1993's trade and cooperation treaty, the free-trade agreement signed by the European Union and Latvia on July 18, 1994 will take effect at the beginning of next year. It will remove all tariffs and quotas on Latvian goods imported into the EU, with the exception of such "sensitive" items as steel and textiles, while allowing the Latvians to maintain various tariffs for a four-year transition period.

### Trade figures talk

These agreements are already beginning to have a demonstrable effect. The EU countries now account for over 31 percent of Latvia's exports — up from virtually nil in 1991 and 25 percent as of the end of 1993 — and for a whopping 40 percent of its imports. Meanwhile,

Latvia's total exports were up 44 percent in 1993 over 1992 (on a dollar basis). An increase of 41 percent in bilateral trade has made Germany Latvia's second most important trading partner. With the accession of Finland and Sweden, two other key trading partners, the EU share of Latvia's trade could easily rise to 50 percent by 1995.

While quickly progressing on the EU front, the Latvians have been busy joining and founding other European organizations — as the events of May 13 show. On that day, Latvia became an associate member of the Western European Union, while also chairing the fourth session of the Baltic Assembly, designed to be the local counterpart of the European Parliament. At the session, the assembly set up the Baltic Council of Ministers, which is to oversee implementation of, among other things, the Baltic Free Trade Agreement.

"I think that we've proven that we're good Europeans," says Mr. Birkavs, "and I see a growing consensus that we'll be a valuable addition to the various pan-European groupings."

T.S.



Left, free enterprise in Riga; above, an Art Nouveau building built in 1903 by Hans Bockslaff on New Street.

## CARGO TO THE C.I.S.

Now, Latvian Shipping Co. offers you a whole new concept of getting your containerized goods to or from the former Soviet Union. Its Riga Transshipment train service is designed to get your important cargo there on time. It is fast, reliable and competitively priced.

**lat**  
latvian shipping company

The process is simple. Just ship your container cargo from any of your represented ports aboard your vessels to Riga, and we'll transship it by train to your final destination.

**NO DELAYS.  
NO BOTTLENECKS.  
NO BUREAUCRACY.**

2 Basteja Blvd., Riga LV-1807, Latvia. Phone: (371-2) 229-423. Fax: (371) 882-0026. Telex: 161121



Filed by *Standa Ltd.*, and transmitted by MICROPAL PARIS (Tel. :

The marginal symbols indicate frequency of quotations: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) - fortnightly (every two weeks); (r) - regularly; (t) - twice weekly; (m) - monthly.

The marginal symbols indicate frequency of quotations: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) - fortnightly (every two weeks); (r) - regularly; (t) - twice weekly; (m) - monthly.

**For  
investment  
information**  
Read  
the MONEY REPO  
every Saturday  
in the IHT

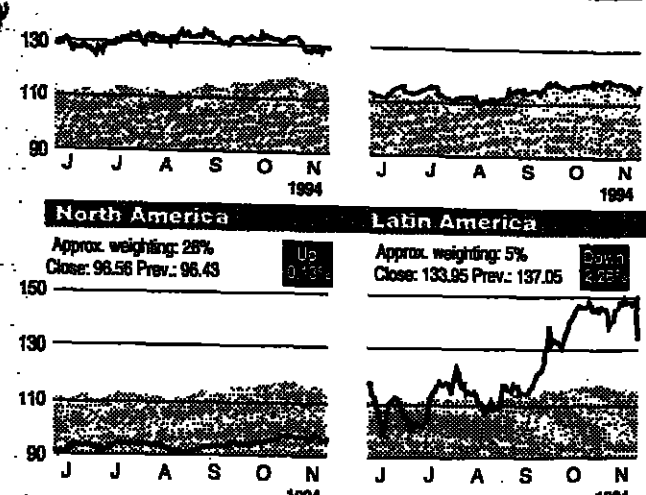
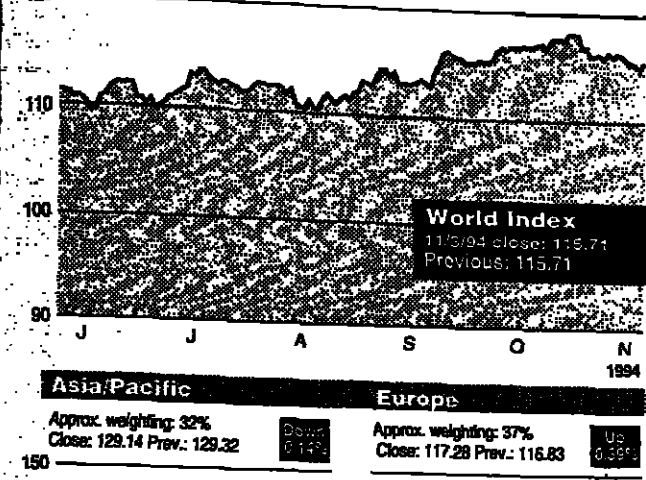
**For  
investment  
information**  
Read  
the MONEY REPO  
every Saturday  
in the IHT

**For information on how to list your fund, fax Catherine de VIENNE at (33-1) 46 37 21 33.**





**THE TRIB INDEX: 115.71**  
International Herald Tribune World Stock Index G, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other major financial centers. The index is composed of the 20 top issues in terms of market capitalization, otherwise the top 100 stocks are tracked.

Industrial Sectors	The Index	Prev. Close	% Change	The Index	Prev. Close	% Change
Energy	116.76	116.25	+0.44	Capital Goods	117.10	-0.10
Utilities	128.48	127.55	+0.94	Raw Materials	134.36	-0.54
Finance	115.81	115.66	+0.15	Consumer Goods	104.52	+0.08
Services	116.49	116.77	-0.24	Miscellaneous	124.84	+0.19

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92021 Neuilly Cedex, France.

## Britain Cancels Postal Sale Plan

Compiled by Our Staff From Dispatches

LONDON — Prime Minister John Major on Thursday abandoned plans to sell Britain's Post Office, in the clearest signal that public enthusiasm for privatization is flagging after 15 years of Conservative rule.

The cabinet dropped the £450 million (\$730 million) privatization after some members of Parliament from the governing Conservative Party warned Trade Secretary Michael Heseltine that they would not support the plan.

In a statement cloaking the political reasons for the decision, Mr. Heseltine's department said there was no clear majority for any of three options put forward in a nationwide consultation program about the future of the Post Office.

These were a 51 percent sell-off of the letters and parcels divisions; giving the Post Office greater commercial freedom in the public sector; or a plan for almost no change in its 100 percent state ownership.

"We have introduced more competition into postal services and improved these services for all consumers. We will continue to examine what more can be done," the statement said.

But the real reason for the climbdown was opposition from Conservative MPs representing rural districts. Voters worried that any sell-off would lead to widespread closures of post offices outside towns and cities.

With privatization of Britain's coal industry also failing to capture public enthusiasm, the dropping of the plan to sell the Post Office will be seen by the Labor Party as marking an end to one of the Conservatives' primary economic policies.

## Tiny Rowland to Resign

### Lonrho Sees End to Controversial Era

Compiled by Our Staff From Dispatches

LONDON — Roland "Tiny" Rowland, the flamboyant and controversial British businessman, is to resign at the end of the year as joint managing director and chief executive of the multinational Lonrho PLC, the company said Thursday.

Mr. Rowland, 76, has headed the international trading company for three decades and is believed to have a salary of £1.8 million (\$3 million) plus expenses.

He started out as a railway porter and was credited with single-handedly transforming the company from a sleepy mining and ranching firm in the early 1960s into a global conglomerate spanning engineering, brewing and oil.

Mr. Rowland, who in 1973 seemed to be the person that then-Prime Minister Edward Heath had in mind when he spoke of "the unacceptable face of capitalism," has been criticized by analysts for running the company as his private empire.

Mr. Rowland was known for working behind the scenes in Africa, and he drew fire two years ago when he did business with Libya in defiance of UN sanctions.

His departure had been the subject of months of speculation amid reported feuding with his rival, the German businessman Dieter Bock, who along with Mr. Rowland shared the titles of joint managing director and chief executive at Lonrho.

At the meeting, Mr. Bock was expected to confront Mr. Rowland over his eight-year dispute with Mohamed al Fayed, the chairman of Harrods Ltd.

Mr. Rowland buried the hatchet over Harrods last year but saw the affair return to haunt him with revelations of indemnities given, without board approval, to Mr. al Fayed's former finance director over information leaked to Lonrho.

Mr. Rowland will resign his executive positions with Lonrho effective Dec. 31 but continue to serve as a director until March. He will then retire from the board but continue to receive his current salary, expenses and benefits until Dec. 31, 1995.

"In acknowledging Mr. Rowland's decision and his exceptional contribution to the company over 34 years, the board expressed the hope that he would continue to make his experience available to Lonrho, particularly in Africa," Lonrho said.

Analysts said Lonrho shares were likely to soar Friday because it was expected that the conglomerate would become more of a "normal" company under Mr. Bock.

(Reuters, Bloomberg, AFP)

## Shanghai Moves To Crack Down On Speculation

Reuters

SHANGHAI — City officials have given security forces and the Communist Party broader control over all forms of stock market information under tough new rules announced Thursday.

The regulations are designed to crack down on rumors and speculation that have created considerable volatility on the stock market.

Even brokerage research is subject to new supervision under the "Rules Concerning the Management of Information on the Stock Market" published in the Shanghai Securities News.

The regulations, the first of their kind in China, were drafted by Shanghai authorities. It was not clear why these officials would have jurisdiction over market affairs, or whether the rules might be countermanded by securities regulators or finance officials in Beijing, with whom Shanghai's authorities have persistent turf battles.

In Hong Kong, which is the base for many funds trading in Chinese equities, analysts and traders reacted cautiously. There was some worry, however, that the new rules represented a collision of China's Communist Party rule with its aspirations to develop a market economy.

Although the regulations do not spell out what can and cannot be reported, they are a clear warning to the fledgling securities information industry that embraces everything from newspapers to beeper services and public discussion forums known as "salons."

"Organizations and individuals are strictly prohibited from influencing the issuing and trading of securities and creating chaos in the stock markets by spreading false information," the rules state.

Some Shanghai brokers welcomed the rules, saying they may help curb speculation that has enriched a few big market players at the expense of small investors.

On Thursday the A share index of domestically traded stocks surged 53.11 points to close at 735.57 points. The B index for hard-currency overseas investment closed down 0.12 points at 78.25.

"This is a move to standardize the market, and the response has been good," said Zhang Li, a broker with Shanghai International Securities. "Rumors have disturbed the market, and investors have lost money as a result."

There are 10 million stock market trading accounts in China, and Beijing fears a vast and growing "stock population" could become a source of social instability.

Some Shanghai brokers welcomed the rules, saying they may help curb speculation that has enriched a few big market players at the expense of small investors.

On Thursday the A share index of domestically traded stocks surged 53.11 points to close at 735.57 points. The B index for hard-currency overseas investment closed down 0.12 points at 78.25.

"This is a move to standardize the market, and the response has been good," said Zhang Li, a broker with Shanghai International Securities. "Rumors have disturbed the market, and investors have lost money as a result."

## A Script to End the Movie War

By Tom Buerkle

BRUSSELS — American film studios have reached a broad agreement to help increase the production and distribution of European movies in a bid to Hollywood to end the trans-Atlantic culture war, industry officials said Thursday.

The agreement, reached in a meeting between the studios and European producers in Paris last week, calls for joint work to improve dubbing techniques for the American market and to widen the distribution of European films, said Jack Valenti, chairman of the Motion Picture Association.

The group represents the seven major Hollywood studios that control as much as 80 percent of Europe's box office.

"We have been, we are now and will continue to be active collaborators and investors in the European audio-visual industry," said Mr. Valenti, who addressed business and EU officials at a luncheon sponsored by the American Club of Brussels.

Both sides plan to release details of the agreement this month, but officials said it did not include any blockbuster ventures. Instead, it identifies specific areas for further work and sets up a permanent forum for dialogue between the studios and the European producers.

The hope, officials said, is that the talks will provide a favorable climate for initiatives by individual studios, such as the agreement last month by Walt Disney Co.'s Miramax Films to invest as much as \$30 million in European co-productions and to dub three European films a year for distribution in the United States. The first will be "Les Visiteurs," the hit time-travel comedy about a medieval band in modern France, which is being dubbed by Mel Brooks.

## Thinking Ahead / Commentary

### Debunking Myths of Modern Asia

By Reginald Dale

International Herald Tribune

WASHINGTON — Amid all the hype about Asia, it's as well to keep a sense of proportion — particularly with President Bill Clinton about to head that way in a bid of extravagant expectations. As Mr. Clinton prepares for the Asia-Pacific Economic Cooperation summit meeting in Indonesia this month, there is a danger that the rhetoric will outrun the reality.

So it's refreshing to find some so-called myths of modern-day Asia coming under fire, including such basic assumptions as that there is a desirable Asian model of economic development, or that a natural community of interests exists among the countries of the Pacific Rim.

Writing in the latest issue of Foreign Affairs magazine, Paul Krugman of Stanford University questions not only whether the Asians have developed a superior economic system but whether there has been an Asian miracle at all.

Mr. Krugman argues that the apparent dynamism of many Asian economies is largely due to the same economic techniques that created the Soviet Union's much-misinterpreted boom in the 1950s.

Although the parallel might seem far-fetched, Mr. Krugman says, the results of recent research into Pacific Rim economic growth give the few people who recall the great debate over Soviet growth a strong sense of déjà vu.

Mr. Krugman is not being quite as

original as he thinks. Others have trodden this path before — even to the extent of comparing some Asian economies with the Soviet Union in its heyday.

It is now widely acknowledged that the apparently mighty engine of Soviet growth that impressed and frightened so many in the West in the 1950s and early 1960s was fueled by a massive input of resources into the economy.

But little or nothing was done to improve efficiency. And without increases in efficiency, through greater knowledge and technological progress, such growth cannot be sustained.

The same, says Mr. Krugman, applies to many of the smaller Asian countries. "Asian growth, like that of the Soviet Union in its high-growth era, seems to be driven by extraordinary growth in inputs like labor and capital rather than by gains in efficiency," he writes.

That means that, like the Soviet Union's, the growth of most of Asia's star economies is bound to decline — as Japan's is already doing.

What's more, as Japan's growth was different from that of the so-called Tiger economies, and much more technologically efficient, there is no "Asian system" that might act as a model for others.

As usual, Mr. Krugman overstates his case. He skates over China and ignores the fact that, unlike the Soviet Union, the Tigers won their economic spurs by competing in the world market. But he has a good debating point.

So do Robert A. Manning and Paula Stern of the Progressive Policy Institute,

who question the substance behind the so-called Pacific Community proclaimed by Mr. Clinton at the APEC summit last year in Seattle.

The region is riddled with so many economic, political and psychological differences that the concept "may prove to be a chimera," they write in the same magazine. Trade and a Pacific coastline do not necessarily make for a sense of community — or, as the Carnegie Endowment report put it, the Pacific might "remain more of a rim than a community."

High-handed Clinton administration policies toward individual Asian countries have "galvanized Asian contrariness," say Mr. Manning and Ms. Stern, and many Asians suspect a hidden agenda behind U.S. support for a Pacific free-trade area.

Furthermore, they add, the notion that Asia's dynamism is drawn largely through the Pacific to the United States — the notion on which the idea of a Pacific community rests — is simply false. East Asian trade is roughly equally distributed among the United States, Europe and the rest of Asia, but with intra-Asian trade and investment growing markedly faster than any other.

The debunking of myths is healthy, but it should not be taken too far. None of these arguments alters the fact that Asia is currently the world's most dynamic economic area and that its views demand much greater attention. They don't invalidate the case for Asia-Pacific free trade. But you don't have to be a total skeptic to hope for a little less hype.

## Philips Profit Races Ahead

Compiled by Our Staff From Dispatches

AMSTERDAM — Philips Electronics NV said Thursday its third-quarter profit almost quadrupled to 530 million guilders (\$317 million), helped by buoyant earnings at its components and semiconductor divisions.

The increase, from 133 million guilders last year, was inflated by a 75 million guilder gain from asset sales. But it was greater than most analysts expected, and the company's stock rose 3 percent, to 56.50 guilders.

"These are splendid figures," said Agatho van Hilst, an analyst at the brokerage Amsteld NV. "They are absolutely top across the board."

Sales in the quarter rose to 14.19 billion guilders from 14.13 billion.

Philips said it did not expect profit growth to continue at the same rate it did in the first nine months, when underlying income more than tripled to 1.12 billion guilders. The company blamed the lower forecast on the weak dollar.

Dudley Eustace, the company's chief financial officer, played down the significance of that

warning. He said he wanted to "temper any possible euphoria that may escape realism."

Mr. Eustace said the rise in third-quarter profit reflected growth in markets outside Europe, particularly in Asia, Brazil and the United States.

Sales in Europe were flat, he said, with Grundig AG, Philips' German consumer-electronics unit, continuing to post losses. Grundig's results were fully consolidated in Philips' earnings.

The company said it would not pay an interim dividend. It last declared one in 1989.

For its first nine months, Philips recorded major improvements in components and semiconductor sales. Operating profit in that division rose 68 percent, to 1.18 billion guilders.

Its consumer-electronics unit swung to an operating profit of 325 million guilders for the first nine months, reversing a loss of 206 million guilders a year ago. The turnaround was achieved despite a 3 percent decline in prices in the third quarter.

(Bloomberg, Knight-Ridder)

## Japan Factor Lead the Pack

Agence France Press

LONDON — The Japanese manufacturing industry is the most competitive in the world, a study by a leading management consultancy showed Thursday.

"Japan's productivity is about 35 percent higher than Europe, while U.S. productivity is about 15 percent of Europe," a study by Andersen Consulting said.

"Japanese plants increased their productivity by 38 percent between 1992 and 1994, despite a 16 percent fall in volumes due to the recession in Japan," the study said.

The study said that Japanese manufacturing industry is the most competitive in the world, a study by a leading management consultancy showed Thursday.

"Japan's productivity is about 35 percent higher than Europe, while U.S. productivity is about 15 percent of Europe," a study by Andersen Consulting said.

"Japanese plants increased their productivity by 38 percent between 1992 and 1994, despite a 16 percent fall in volumes due to the recession in Japan," the study said.

## CURRENCY & INTEREST RATES

Gross Rates												Eurocurrency Deposits				Nov. 3			
	\$	£	D.M.	F.F.	Lira	D.P.	B.F.	S.F.	Yen	Ci	Peso		D-Month	D-Month	Swiss Franc	Starling	French Franc	Yen	ECU
Interbank	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128		1 month	5-5%	47-5	37-5%	57-5%	2 1/2 - 5	5 1/2 - 5
London	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128		3 months	57-5	5 1/2 - 5	3 1/4 - 4	6 1/4 - 5	21-2%	5 1/2 - 5
Amsterd.	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128		6 months	57-5	4 1/2 - 5	6 1/4 - 5	21-2%	6 1/4 - 5	5 1/2 - 5
Frankfurt	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128		1 year	67-5%	5 1/2 - 5	6 1/4 - 5	21-2%	6 1/4 - 5	5 1/2 - 5
Paris	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Brussels	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Oslo	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Copenhagen	1.000	0.750	0.63	0.67	1.00	2.00	1.66	1.93	1.00	1.28	128								
Stockholm	1.000	0.750	0.63	0.															



## MARKET DIARY

Shares Rise Slightly  
Despite Rate Fears

Compiled by Our Staff from Dispatches  
NEW YORK — U.S. stocks rose Thursday as auto and retail stocks gained, overcoming losses caused by persistent concern over higher interest rates.

But volume was limited, with investors apparently hesitant to make major moves ahead of the

## U.S. Stocks

October employment report due for release Friday.

"We're living with this type of market for six months," said John Brooks, director of sales and marketing at Nottley Group. "People are a lot more nervous than they are saying they are."

The Dow Jones industrial average rose 8.75 points to 3,845.85, adding most of its gain in the last 10 minutes of trading.

Stocks were little changed for most of the day as bond prices dropped amid reports of strong housing and auto sales. The reports prompted concern among bond investors that inflation

will accelerate.

The yield on the benchmark 30-year government bond,

which moves in the opposite direction to its price, ended at 6.10 percent, up from 5.99 percent on Wednesday and at the highest level since April 1992.

Advancing shares roughly equaled declines on the Big Board, where volume slipped to 284.4 million shares from 331.39 million Wednesday.

Shares of auto companies rebounded from recent weakness after General Motors said it sold 1.3 percent more cars last month than it did a year earlier. Shares of GM rose 1/2 to 39 1/2, Chrysler climbed 1/2 to 48, and Ford moved up 1/2 to 29 1/2.

Shares of retailers gained as many companies reported sales for October. Dayton Hudson surged 3/4 to 8 1/2, Best Buy soared 3/4 to 42, Ann Taylor jumped 1 1/4 to 44 1/2, Limited rose 1/4 to 20 1/2, Gap added 2 1/2 to 36 1/2, and Sears Roebuck

spurred 1 1/4 to 49 1/2.

Bank stocks gained as investors bet that the demand for capital would continue to grow as the economy rebounds.

Bank America jumped 1 to 43 1/2, Bankers Trust New York was up 1/2 to 64 1/2, and Nations-

Bank rose 1/2 to 49 1/2.

## DOLLAR: Fed Intervenes Again

Continued from Page 1

to do so as the yen and the mark continued rising through the summer and autumn.

"When the dollar has been weak on its own this year, intervention has been seen," said Lisa Kaess of Geoffrey Bell & Co. "It's no coincidence that Washington is intervening when the dollar is weak and Treasury bonds are at a two-

## Foreign Exchange

and-one-half-year low. Somebody there is interested in a stronger dollar."

No member of the Clinton administration would want to be embarrassed by the Fed's going forward to ride to the rescue of a collapsing dollar as voters go to the polls on Tuesday, and as President Bill Clinton flies to a meeting with Asian trade partners in Indonesia. Mr. Clinton is set to meet with Latin American countries in Miami the week after.

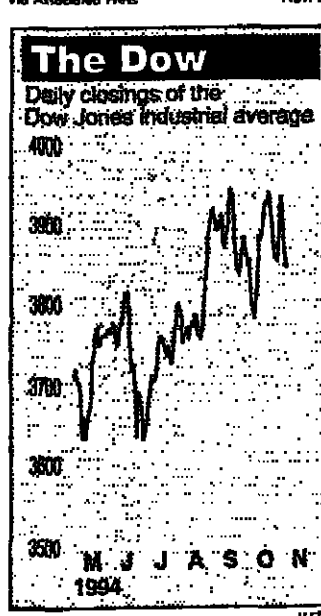
The Treasury also has to sell \$29 billion of three- and ten-year notes next week in a regular refinancing of its debt, and Treasury Secretary Lloyd Bentsen "is going to have to convince someone to buy them."

said Carl Weinberg of High Frequency Economics.

But both U.S. and foreign buyers of American bonds have been sitting on their hands for months, waiting for the Federal Reserve to come to the end of its program of raising interest rates as protection against inflation in a strengthening economy. As rates go up, bond prices go down — so why buy now when bonds may be cheaper tomorrow?

There was some speculation on Wall Street that the Fed might raise rates Friday if October employment figures are stronger than the expected growth of about 250,000 new jobs. That would represent a preemptive strike by the Fed instead of waiting to add another half a percentage point to the federal funds rate, now at 4.75 percent, at its Nov. 15 meeting.

But that also would entail political risks for the central bank in an election season and might not satisfy Wall Street anyway. On the contrary, said Robert Brusca of Nikko Securities, the weakened bond market and the continued necessity to prop up the dollar mean that the Fed may have to tighten more than half a percentage point because markets want stronger action.



**NYSE Most Actives**

Symbol	Vol.	High	Low	Last	Chg.
IBM	1,214,599	100 1/4	99 3/4	100 1/4	+1/4
Microsoft	3,027,214	54 1/2	53 1/2	54 1/2	+1/2
Intel	1,000,000	34 1/2	33 1/2	34 1/2	+1/2
Oracle	1,000,000	28 1/2	27 1/2	28 1/2	+1/2
Cisco	1,000,000	24 1/2	23 1/2	24 1/2	+1/2
Apple	1,000,000	20 1/2	19 1/2	20 1/2	+1/2
Amazon	1,000,000	18 1/2	17 1/2	18 1/2	+1/2
Netflix	1,000,000	16 1/2	15 1/2	16 1/2	+1/2
Home Depot	1,000,000	14 1/2	13 1/2	14 1/2	+1/2
Walmart	1,000,000	12 1/2	11 1/2	12 1/2	+1/2

**NASDAQ Most Actives**

Symbol	Vol.	High	Low	Last	Chg.
Microsoft	1,214,599	54 1/2	53 1/2	54 1/2	+1/2
Intel	1,000,000	34 1/2	33 1/2	34 1/2	+1/2
Oracle	1,000,000	28 1/2	27 1/2	28 1/2	+1/2
Cisco	1,000,000	24 1/2	23 1/2	24 1/2	+1/2
Apple	1,000,000	20 1/2	19 1/2	20 1/2	+1/2
Amazon	1,000,000	18 1/2	17 1/2	18 1/2	+1/2
Netflix	1,000,000	16 1/2	15 1/2	16 1/2	+1/2
Home Depot	1,000,000	14 1/2	13 1/2	14 1/2	+1/2
Walmart	1,000,000	12 1/2	11 1/2	12 1/2	+1/2

**AMEX Most Actives**

Symbol	Vol.	High	Low	Last	Chg.
Goldman Sachs	1,214,599	100 1/4	99 3/4	100 1/4	+1/4
JP Morgan Chase	1,000,000	34 1/2	33 1/2	34 1/2	+1/2
Bank of America	1,000,000	28 1/2	27 1/2	28 1/2	+1/2
Wells Fargo	1,000,000	24 1/2	23 1/2	24 1/2	+1/2
Citigroup	1,000,000	20 1/2	19 1/2	20 1/2	+1/2
Bank of New York	1,000,000	18 1/2	17 1/2	18 1/2	+1/2
JP Morgan Chase	1,000,000	16 1/2	15 1/2	16 1/2	+1/2
Bank of America	1,000,000	14 1/2	13 1/2	14 1/2	+1/2
Wells Fargo	1,000,000	12 1/2	11 1/2	12 1/2	+1/2

**AMEX Most Actives**

Symbol	Vol.	High	Low	Last	Chg.
Goldman Sachs	1,214,599	100 1/4	99 3/4	100 1/4	+1/4
JP Morgan Chase	1,000,000	34 1/2	33 1/2	34 1/2	+1/2
Bank of America	1,000,000	28 1/2	27 1/2	28 1/2	+1/2
Wells Fargo	1,000,000	24 1/2	23 1/2	24 1/2	+1/2
Citigroup	1,000,000	20 1/2	19 1/2	20 1/2	+1/2
Bank of New York	1,000,000	18 1/2	17 1/2	18 1/2	+1/2
JP Morgan Chase	1,000,000	16 1/2	15 1/2	16 1/2	+1/2
Bank of America	1,000,000	14 1/2	13 1/2	14 1/2	+1/2
Wells Fargo	1,000,000	12 1/2	11 1/2	12 1/2	+1/2

**AMEX Most Actives**

Symbol	Vol.	High	Low	Last	Chg.
Goldman Sachs	1,214,599	100 1/4	99 3/4	100 1/4	+1/4
JP Morgan Chase	1,000,000	34 1/2	33 1/2	34 1/2	+1/2
Bank of America	1,000,000	28 1/2	27 1/2	28 1/2	+1/2
Wells Fargo	1,000,000	24 1/2	23 1/2	24 1/2	+1/2
Citigroup	1,000,000	20 1/2	19 1/2	20 1/2	+1/2
Bank of New York	1,000,000	18 1/2	17 1/2	18 1/2	+1/2
JP Morgan Chase	1,000,000	16 1/2	15 1/2	16 1/2	+1/2
Bank of America	1,000,000	14 1/2	13 1/2	14 1/2	+1/2
Wells Fargo	1,000,000	12 1/2	11 1/2	12 1/2	+1/2

**AMEX Most Actives**

Symbol	Vol.	High	Low	Last	Chg.
Goldman Sachs	1,214,599	100 1/4	99 3/4	100 1/4	+1/4
JP Morgan Chase	1,000,000	34 1/2	33 1/2	34 1/2	+1/2
Bank of America	1,000,000	28 1/2	27 1/2	28 1/2	+1/2
Wells Fargo	1,000,000	24 1/2	23 1/2	24 1/2	+1/2
Citigroup	1,000,000	20 1/2	19 1/2	20 1/2	+1/2
Bank of New York	1,000,000	18 1/2	17 1/2	18 1/2	+1/2
JP Morgan Chase	1,000,000	16 1/2	15 1/2	16 1/2	+1/2
Bank of America	1,000,000	14 1/2	13 1/2	14 1/2	+1/2
Wells Fargo	1,000,000	12 1/2	11 1/2	12 1/2	+1/2

**AMEX Most Actives**

Symbol	Vol.	High	Low	Last	Chg.
Goldman Sachs	1,214,599	100 1/4	99 3/4	100 1/4	+1/4
JP Morgan Chase	1,000,000	34 1/2	33 1/2	34 1/2	+1/2
Bank of America	1,000,000	28 1/2	27 1/2	28 1/2	+1/2
Wells Fargo	1,000,000	24 1/2	23 1/2	24 1/2	+1/2
Citigroup	1,000,000	20 1/2	19 1/2	20 1/2	+1/2
Bank of New York	1,000,000	18 1/2	17 1/2	18 1/2	+1/2
JP Morgan Chase	1,000,000	16 1/2	15 1/2	16 1/2	+1/2
Bank of America	1,000,000	14 1/2	13 1/2	14 1/2	+1/2
Wells Fargo	1,000,000	12 1/2	11 1/2	12 1/2	+1/2

**AMEX Most Actives**

Symbol	Vol.	High	Low	Last	Chg.
Goldman Sachs	1,214,599	100 1/4	99 3/4	100 1/4	+1/4
JP Morgan Chase	1,000,000	34 1/2	33 1/2	34 1/2	+1/2
Bank of America	1,000,000	28 1/2	27 1/2	28 1/2	+1/2
Wells Fargo	1,000,000	24 1/2	23 1/2	24 1/2	+1/2
Citigroup	1,000,000	20 1/2	19 1/2	20 1/2	+1/2
Bank of New York	1,000,000	18 1/2	17 1/2	18 1/2	+1/2
JP Morgan Chase	1,000,000	16 1/2	15 1/2	16 1/2	+1/2
Bank of America	1,000,000	14 1/2	13 1/2	14 1/2	+1/2
Wells Fargo	1,000,000	12 1/2	11 1/2	12 1/2	+1/2

**AMEX Most Actives**

Symbol	Vol.	High	Low	Last	Chg.
Goldman Sachs	1,214,599	100 1/4	99 3/4	100 1/4	+1/4
JP Morgan Chase	1,000,000	34 1/2	33 1/2	34 1/2	+1/2
Bank of America	1,000,000	28 1/2	27 1/2	28 1/2	+1/2
Wells Fargo	1,000,000	24 1/2	23 1/2	24 1/2	+1/2
Citigroup	1,000,000	20 1/2	19 1/2	20 1/2	+1/2
Bank of New York	1,000,000	18 1/2	17 1/2	18 1/2	+1/2
JP Morgan Chase	1,000,000	16 1/2	15 1/2	16 1/2	+1/2
Bank of America	1,000,000	14 1/2	13 1/2	14 1/2	+1/2
Wells Fargo	1,000,000	12 1/2	11 1/2	12 1/2	+1/2

**AMEX Most Actives**

Symbol	Vol.	High	Low	Last	Chg.
Goldman Sachs	1,214,599	100 1/4	99 3/4	100 1/4	+1/4
JP Morgan Chase	1,000,000	34 1/2	33 1/2	34 1/2	+1/2
Bank of America	1,000,000	28 1/2	27 1/2	28 1/2	+1/2
Wells Fargo	1,000,000	24 1/2	23 1/2	24 1/2	+1/2
Citigroup	1,000,000	20 1/2	19 1/2	20 1/2	+1/2
Bank of New York	1,000,000	18 1/2	17 1/2	18 1/2	+1/2
JP Morgan Chase	1,000,000	16 1/2	15 1/2	16 1/2	+1/2
Bank of America	1,000,000	14 1/2	13 1/2	14 1/2	+1/2
Wells Fargo	1,000,000	12 1/2	11 1/2	12 1/2	+1/2

**AMEX Most Actives**

Symbol	Vol.	High	Low	Last	Chg.
Goldman Sachs	1,214,599	100 1/4	99 3/4	100 1/4	+1/4
JP Morgan Chase	1,000,000	34 1/2	33 1/2	34 1/2	+1/2
Bank of America	1,000,000	28 1/2	27 1/2	28 1/2	+1/2
Wells Fargo	1,000,000	24 1/2	23 1/2	24 1/2	+1/2
Citigroup	1,000,000	20 1/2	19 1/2	20 1/2	+1/2
Bank of New York	1,000,000	18 1/2	17 1/2	18 1/2	+1/2
JP Morgan Chase	1,000,000	16 1/2	15 1/2	16 1/2	+1/2
Bank of America	1,000,000	14 1/2	13 1/2	14 1/2	+1/2
Wells Fargo	1,000,000	12 1/2	11 1/2	12 1/2	+1/2

**AMEX Most Actives**

Symbol	Vol.	High	Low	Last	Chg.
Goldman Sachs	1,214,599	100 1/4	99 3/4	100 1/4	+1/4
JP Morgan Chase	1,000,000	34 1/2	33 1/2	34 1/2	+1/2
Bank of America	1,000,000	28 1/2	27 1/2	28 1/2	+1/2
Wells Fargo	1,000,000	24 1/2	23 1/2	24 1/2	+1/2
Citigroup	1,000,000	20 1/2	19 1/2	20 1/2	+1/2
Bank of New York	1,000,000	18 1/2	17 1/2	18 1/2	+1/2
JP Morgan Chase	1,000,000	16 1/2	15 1/2	16 1/2	+1/2
Bank of America	1,000,000	14 1/2	13 1/2	14 1/2	+1/2
Wells Fargo	1,000,000	12 1/2	11 1/2	12 1/2	+1/2

Dow Jones Averages					
	Open	High	Low	Last	Chg.
Indus	3843.52	3853.42	3833.43	3845.88	+8.75
Trans	1520.47	1522.80	1513.36	1518.61	-0.25
UNA	178.95	180.44	178.75	180.13	+0.95
Comp	1291.21	1294.65	1289.21	1292.37	+2.50

Standard & Poor's Indexes				
	High	Low	Close	Ch'g
Industrials	554.74	554.26	555.96	+1.5
Transp.	346.38	344.72	344.77	-0.1



## Commerciale Posts a Rally On Bid Plan

Compiled by Our Staff From Dispatches

MILAN — Shares in Banca Commerciale Italiana SpA rallied 3 percent Thursday as investors cheered the bank's takeover bid for Banco Ambrosiano Veneto SpA.

Banca Commerciale's shares jumped to 3,365 lire (\$2.32) from 3,460 after it offered 7,000 lire a share for a 50.1 percent stake in Banco Ambrosiano Veneto SpA.

Analysts said the bid — the second major bank takeover attempted in the past week — was shrewdly priced and stood a good chance of success.

Banca Commerciale's offer was well above the 5,295 lire that Banco Ambrosiano's shares finished at Thursday. That was down from Wednesday's price of 5,380. Banca Commerciale's bid is valued at 1.74 trillion lire.

The bid is being pitched in two phases, with the offer first going to Ambrosiano's controlling shareholder syndicate and then to ordinary shareholders if the controlling shareholders approve of the bid.

Banca Commerciale said it wanted the core shareholders, which control about 68 percent of Ambrosiano, to sell as much as 29 percent, although it said it would settle for 15 percent.

Banca Commerciale said at least one core shareholder had decided to sell, which could give it the 15 percent it seeks in order to continue.

Analysts said Banca Commerciale seemed to have more chance of success than Credito Italiano SpA had in its bid for control of Credito Romagnolo SpA, which appeared stalled.

Credito Italiano said a week ago it would offer 19,000 lire a share for 48 percent of Romagnolo, aiming to take control for about 2 trillion lire.

Romagnolo branded the offer hostile and swallowed a poison pill with a plan to merge with Cassa di Risparmio di Bologna, a local savings institute. (Reuters, Bloomberg, AP)

### Banesto Loss Narrows

Banco Español de Crédito SA posted a loss of 16.27 billion pesetas (\$130 million) in the first nine months of the year, AFP-Extel News reported from Madrid.

The result was an improvement from the loss of 21.83 billion pesetas that the bank posted last year, according to AEB, the Spanish banking association. Year-earlier figures were not provided.

## Transparency — Too Revealing?

### Swiss Firms Drag Heels

Bloomberg Business News

ZURICH — The government is trying to compel companies to give investors more information, but many have been slow to comply.

The Swiss Parliament is expected to pass at the end of the year a law requiring listed companies to report half-year earnings. But the changes will not apply in some industries until 1997, experts said.

Meanwhile, large discrepancies in how companies deal with calls for greater disclosure persist. Switzerland is a country where investors rarely voice disapproval. For the most part, investors and analysts have allowed companies to get away with providing little information, analysts said.

"There are still huge differences, and a lot of companies just don't think about investors," said Hans Kaufmann, head of Swiss research at Bank Julius Baer. "We have seen some progress, but half-year figures on a mandatory basis will only happen in 1996 and 1997."

Some of Switzerland's largest companies, including Roche Holding AG, broke the ice this year, releasing their first half-year net profit. Others delayed releases, such as Société Suisse Microélectronique & d'Horlogerie SA, the world's largest watchmaker.

Mr. Kaufmann said he expected the introduction of compulsory reports on the first half of the financial year would be staggered. Banks should report next year, industrial companies in 1996 and insurers the following year.

He said the insurance sector needed "the biggest kick." This year Zurich Insurance AG, one of Europe's largest insurers, felt it was enough to give a gross premium income figure and a forecast for a "good" full-year result.

"On my general experience, a 'good result' means a profit increase of between 10 percent and 15 percent," said Thomas Kalbermaten, an analyst at Union Bank of Switzerland.

Swiss investors also must learn to be more vocal, experts said. The current battle between the board of Union Bank of Switzerland and Martin Ebner, an outspoken Swiss financier and major Union Bank shareholder, shows companies can be forced to respond to pressure from major investors.

"There are only very few shareholder activists in Switzerland like Martin Ebner," said André Baladi, a Geneva-based investment adviser. "You might not agree with all his views, but the noise he makes is certainly good."

### Code Puzzles Germans

Bloomberg Business News

FRANKFURT — Although leading German companies agree that a disclosure law that goes into effect on Jan. 1 is important, few have made concrete plans to conform to it, and many are uncertain how it should be interpreted.

The majority of large companies say they welcomed the publication this week by the Frankfurt Stock Exchange of a manual aimed at providing guidelines on the use and interpretation of the new law. But there is uncertainty about interpreting its often vaguely written mandates.

"We welcome the new rules because they will lead to a higher standard of transparency and they recognize what this capital market needs," said Ronald Weichert, spokesman at Deutsche Bank AG, Germany's leading bank.

But even the release of the stock exchange's 27-page manual aimed at helping companies cope with the new law left many companies grappling with its often murky provisions.

"I think it will really take some time to adapt to the new law and find out what it really means," said Rolf-Dieter Grass, a spokesman for Lufthansa AG. "There is a lot of uncertainty in the corporate community about how to interpret it."

The law banning insider trading took effect in August. Its provisions on disclosure, which require listed companies to immediately publish any news that may "substantially" influence its share price, take effect Jan. 1.

But for many in corporate Germany, the law lacks a clear definition of what constitutes "substantial" influence on a company's share price.

"How is somebody to know whether a certain piece of news is going to have a substantial effect?" asked Mr. Grass. "It's just one of the areas where we are unsure what to do."

The new law defines insider information as any piece of news about a stock that is not publicly available but could influence the share's price once it is known.

The stock exchange's manual lists the sale or acquisition of major stakes, changes in dividends or the announcement of capital measures as such news. The list also describes legal proceedings or the registration of important new patents.

As a rule of thumb, the stock exchange's manual says that any price movement of about 5 percent should be considered "substantial."

It took Germany more than five years to comply with the European Union directive that outlaws insider trading.

### Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2300	3000	3000
2200	2900	2900
2100	2800	2800
2000	2700	2700
1900	2600	2600
1800	2500	2500
1700	2400	2400
1600	2300	2300
1500	2200	2200
1400	2100	2100
1300	2000	2000
1200	1900	1900
1100	1800	1800
1000	1700	1700
900	1600	1600
800	1500	1500
700	1400	1400
600	1300	1300
500	1200	1200
400	1100	1100
300	1000	1000
200	900	900
100	800	800
0	700	700

### Very briefly:

- Boots Co.'s pretax profit rose 66 percent, to £289.7 million (\$473 million), in the six months to Sept. 30, helped by a one-time gain from the sale of its Farleys division.
- Britain's top economic advisers said the country was on course for 3.6 percent economic growth in 1994 and 3.0 percent growth in 1995, with inflation remaining subdued.
- Metallgesellschaft AG said its net debt fell to 1.2 billion Deutsche marks (\$1 billion) in the year to Sept. 30 from 3.6 billion DM a year earlier, helped by higher returns on investments.
- Winterthur Swiss Insurance Co. said it expected a double-digit increase in 1994 net profit and a rise of 20 percent in gross premium income, to 20 billion Swiss francs (\$16 billion).
- Dynamit Nobel AG, the explosives and plastic subsidiary of Metallgesellschaft, said cost-cutting lifted operating profit for the year ended Sept. 30 by 19 percent, to 76 million DM, despite a 2 percent drop in sales.

Reuters, Bloomberg, APY

## Bank for Middle East Still Possible, U.S. Says

By Steven Greenhouse

New York Times Service

WASHINGTON — The United States is insisting that its hopes of establishing a multibillion-dollar development bank for the Middle East are not dead and that many Arab countries are open to contributing to it.

Although U.S. officials acknowledged Wednesday that several Arab countries had not committed any money to the bank, they said those countries had given a green light to the idea at a conference in Casablanca by

setting up a study group on how to structure and finance the bank.

Michael McCurry, the State Department spokesman, said the government was confident that Arab countries and Israel would eventually join the United States in financing the bank, which would seek to lend money for dams, highways and other projects to develop the Middle East, help the emerging Palestinian authority and foster cooperation between Arabs and Israel.

## Elf Sells Half Its Stake in Enterprise Oil

Bloomberg Business News

LONDON — Elf Aquitaine SA said Thursday it had sold nearly half its stake in Enterprise Oil PLC as part of its bid to reduce its huge debt.

Paris-based Elf said it had sold 50.78 million shares of Enterprise Oil, which analysts said was worth about 1.6 billion French francs (\$312 million).

The sale is part of Elf's bid to raise 10 billion francs over the next two years to pay down debt that will cost an estimated 2.5 billion francs in interest this year alone.

"It makes me feel they're likely to meet their target" for debt reduction this year, said a French oil analyst, said Catherine Arnfield, an oil analyst at J.P. Morgan Securities.

Elf, which indicated in August it would sell part of its Enterprise stake, reduced its holding in the British company to about

12.9 percent, holding onto 63.7 million shares.

The French company sold its stake to Barclays de Zoete Wedd, the British securities firm, for less than £200 million (\$326 million), said Nick Brigstock, head of the BZW's brokerage unit.

The firm, in turn, sold the shares to about 40 or 50 British investment funds and a few funds in the United States, Mr. Brigstock said.

Elf did not say how much it got for the stock or what it would do with the proceeds. Elf has already pledged about 600 million francs for a stake in Renault SA, the French car and truck manufacturer.

Jonathan Wright, an oil analyst with Merrill Lynch in London, said Elf got 369 pence a share for its Enterprise stock. That would make the transaction worth £187.38 million.

"This isn't a surprise," said Jonathan Wright, an oil analyst with Merrill Lynch in London. "This was one of the assets we were looking for them to sell."

So far, Elf has sold part of its stake in a Congo oil field to Chevron Corp. of the United States, as well as its 2 percent stake in Belgium's Petrofina SA and shares in the French construction company Technip SA.

### Rhône-Poulenc Returns to Profit

Rhône-Poulenc SA said improving economies in Europe helped it climb to profit in the third quarter, Bloomberg Business News reported from Paris.

The French chemical company posted third-quarter net profit of 807 million francs, reversing a loss of 299 million francs in the third quarter of 1993. Sales rose 7.5 percent, to 20.99 billion francs.

## KLM Net Soars 74% as Ties With Northwest Strengthen

Compiled by Our Staff From Dispatches

AMSTERDAM — KLM Royal Dutch Airlines said Thursday its net profit jumped 74 percent in its second quarter, helped by an intensification of its cooperation with Northwest Airlines.

The partly state-owned airline said the improvement was also due to a drive to improve productivity, as well as cost-cutting and improvements in key markets.

Net profit in the quarter ended Sept. 30 rose to 354 million guilders (\$211 million) from 204 million guilders a year earlier. Revenue rose to 255 billion guilders from 240 billion guilders.

The carrier said it saw further profit growth but at a slower rate than in the first six months of its current year, which ends March 31, 1995.

(Reuters, Bloomberg)

## NASDAQ

Thursday's 4 p.m.  
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

12 Month High Low Stock Div Yld PE 52 High Low Last Chg

52.1 من الالمن











# NYSE

**Thursday's Closing**  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div	Yld	PE	100s	High	Low	Latest Chg
1.40	1.39	129							
1.39	1.38	129							
1.38	1.37	129							
1.37	1.36	129							
1.36	1.35	129							
1.35	1.34	129							
1.34	1.33	129							
1.33	1.32	129							
1.32	1.31	129							
1.31	1.30	129							
1.30	1.29	129							
1.29	1.28	129							
1.28	1.27	129							
1.27	1.26	129							
1.26	1.25	129							
1.25	1.24	129							
1.24	1.23	129							
1.23	1.22	129							
1.22	1.21	129							
1.21	1.20	129							
1.20	1.19	129							
1.19	1.18	129							
1.18	1.17	129							
1.17	1.16	129							
1.16	1.15	129							
1.15	1.14	129							
1.14	1.13	129							
1.13	1.12	129							

12 Month High	Low	Stock	Div	Yld	PE	100s	High	Low	Latest Chg
1.40	1.39	129							
1.39	1.38	129							
1.38	1.37	129							
1.37	1.36	129							
1.36	1.35	129							
1.35	1.34	129							
1.34	1.33	129							
1.33	1.32	129							
1.32	1.31	129							
1.31	1.30	129							
1.30	1.29	129							
1.29	1.28	129							
1.28	1.27	129							
1.27	1.26	129							
1.26	1.25	129							
1.25	1.24	129							
1.24	1.23	129							
1.23	1.22	129							
1.22	1.21	129							
1.21	1.20	129							
1.20	1.19	129							
1.19	1.18	129							
1.18	1.17	129							
1.17	1.16	129							
1.16	1.15	129							
1.15	1.14	129							
1.14	1.13	129							
1.13	1.12	129							

12 Month High	Low	Stock	Div	Yld	PE	100s	High	Low	Latest Chg
1.40	1.39	129							
1.39	1.38	129							
1.38	1.37	129							
1.37	1.36	129							
1.36	1.35	129							
1.35	1.34	129							
1.34	1.33	129							
1.33	1.32	129							
1.32	1.31	129							
1.31	1.30	129							
1.30	1.29	129							
1.29	1.28	129							
1.28	1.27	129							
1.27	1.26	129							
1.26	1.25	129							
1.25	1.24	129							
1.24	1.23	129							
1.23	1.22	129							
1.22	1.21	129							
1.21	1.20	129							
1.20	1.19	129							
1.19	1.18	129							
1.18	1.17	129							
1.17	1.16	129							
1.16	1.15	129							
1.15	1.14	129							
1.14	1.13	129							
1.13	1.12	129							

12 Month High	Low	Stock	Div	Yld	PE	100s	High	Low	Latest Chg
1.40	1.39	129							
1.39	1.38	129							
1.38	1.37	129							
1.37	1.36	129							
1.36	1.35	129							
1.35	1.34	129							
1.34	1.33	129							
1.33	1.32	129							
1.32	1.31	129							
1.31	1.30	129							
1.30	1.29	129							
1.29	1.28	129							
1.28	1.27	129							
1.27	1.26	129							
1.26	1.25	129							
1.25	1.24	129							
1.24	1.23	129							
1.23	1.22	129							
1.22	1.21	129							
1.21	1.20	129							
1.20	1.19	129							
1.19	1.18	129							
1.18	1.17	129							
1.17	1.16	129							
1.16	1.15	129							
1.15	1.14	129							
1.14	1.13	129							
1.13	1.12	129							

12 Month High	Low	Stock	Div	Yld	PE	100s	High	Low	Latest Chg
1.40	1.39	129							
1.39	1.38	129							
1.38	1.37	129							
1.37	1.36	129							
1.36	1.35	129							
1.35	1.34	129							
1.34	1.33	129							
1.33	1.32	129							
1.32	1.31	129							
1.31	1.30	129							
1.30	1.29	129							
1.29	1.28	129							
1.28	1.27	129							
1.27	1.26	129							
1.26	1.25	129							
1.25	1.24	129							
1.24	1.23	129							
1.23	1.22	129							
1.22	1.21	129							
1.21	1.20	129							
1.20	1.19	129							
1.19	1.18	129							
1.18	1.17	129							
1.17	1.16	129							
1.16	1.15	129							
1.15	1.14	129							
1.14	1.13	129							
1.13	1.12	129							

12 Month High	Low	Stock	Div	Yld	PE	100s	High	Low	Latest Chg
1.40	1.39	129							
1.39	1.38	129							
1.38	1.37	129							
1.37	1.36	129							
1.36	1.35	129							
1.35	1.34	129							
1.34	1.33	129							
1.33	1.32	129							
1.32	1.31	129							
1.31	1.30	129							
1.30	1.29	129							
1.29	1.28	129							
1.28	1.27	129							
1.27	1.26	129							
1.26	1.25	129							
1.25	1.24	129							
1.24	1.23	129							
1.23	1.22	129							
1.22	1.21	129							
1.21	1.20	129							
1.20	1.19	129							
1.19	1.18	129							
1.18	1.17	129							
1.17	1.16	129							
1.16	1.15	129							
1.15	1.14	129							
1.14	1.13	129							
1.13	1.12	129							

Continued on Page 21

# We can't keep on meeting like this.

In planes. In hotels. In the street. Oh it's exciting every time we feel your hands on us, your eyes on us. And we know it does something special for you as well. Couldn't we see if we can turn this into something more serious? Here's an offer that should make us irresistible—the International Herald Tribune for three months, or even a year, for as little as half the newsstand price! So fax or mail the coupon now.

## New Subscriber Offer

Mail or fax to: International Herald Tribune,  
181, avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.  
For full information: Fax (+33-1) 46 37 06 51

Country/Currency	12 months +2 months FREE	% SAVINGS for 1 year	3 months +2 weeks FREE
Austria A. Sch.	6,000	37	1,800
Belgium B. Fr.	14,000	38	4,200
Denmark D.Kr.	3,400	33	1,050
France F.F.	1,950	40	590
Germany D.M.	700	32	210
Great Britain £	210	38	65
Ireland £Ir.	230	37	68
Italy Lire	470,000	50	145,000
Luxembourg L.Fr.	14,000	38	4,200
Netherlands Fl.	770	40	230
Portugal Esc.	47,000	38	14,000
Spain Ptas.	48,000	34	14,500
-hand deliv. Madrid Ptas.	55,000	34	14,500
Sweden (airmail) S.Kr.	3,100	34	900
-hand delivery S.Kr.	3,500	26	1,000
Switzerland S.Fr.	610	44	185

Yes, I want to start receiving the International Herald Tribune every day.  
The subscription term I prefer is (check box):

- ☐ 12 months (+ 2 months free).  
☐ 3 months (+ 2 weeks free).  
☐ My check is enclosed (payable to the International Herald Tribune).  
☐ Please charge my: ☐ American Express ☐ Diners Club ☐ VISA  
☐ Access ☐ MasterCard ☐ Eurocard

Credit card charges will be made in French Francs at current exchange rates.

Card No. \_\_\_\_\_







# SPORTS

## Larsson Hat Trick Lifts Feyenoord After Dutch Fans Riot in Bremen

Compiled by Our Staff From Dispatches  
A hat trick by Henryk Larsson raised Feyenoord Rotterdam's spirits after their trip to Werder Bremen for a European soccer Cup Winners' Cup tie on Thursday was overshadowed by Dutch fans' hooliganism.

Larsson's goals in the 21st,

Dutch penalty in the 56th minute. Beschastnykh struck back for Werder with a goal in the 60th minute but Larsson then completed his hat-trick with a penalty six minutes later. German international midfielder Mario Basler scored a consolation goal for Werder in the final minute.

### EUROPEAN SOCCER

34th and 66th minutes helped the Dutch club clinch a 4-3 victory over Bremen and a 5-3 triumph on aggregate that put the team into the third round.

But the day was dominated by trouble when hundreds of drunken and drugged Dutch fans rioted on a German train. The police detained more than 400 and sent them back to the Netherlands.

After Bremen had lost the first leg 1-0 in Rotterdam, Russian Vladimir Beschastnykh put the German side level 1-1 on aggregate in the 12th minute. But Larsson finished coolly twice before halftime to put Feyenoord 2-1 ahead and 3-1 on aggregate.

Ruud Heus then converted a

In Vienna, Chelsea cashed in on a spectacular solo run by the Scottish striker John Spencer and the away-goals rule to advance after drawing 1-1 with Austria Vienna.

With two defenders trailing in his wake, Spencer ran 80 meters with the ball after a Vienna shot off a corner kick, was blocked by a wall of Chelsea players. He connected in the 40th minute, after drawing the Austrian goalkeeper, Franz Wohlfahrt, out of the goal.

Arminas Narbekovas tied it in the 73d minute for Vienna. The teams had played to a scoreless draw in the first leg in London two weeks ago.

Zaragoza, the Spanish league leader, advanced with a 2-1 victory over Tatan Presov, having compiled a 6-1 aggregate.

Argentine Juan Eduardo Esnaider gave Zaragoza a 1-0 lead in the fifth minute on a shot from 18 meters. Tatan tied it in the 38th minute on a goal from eight meters by Robert Kocis, but Oscar Luis Celada scored for Zaragoza in the 56th on a header from 12 meters.

In Switzerland, Grasshopper Zurich, 3-0 down to Sampdoria after the first leg, trailed 2-1 at halftime in what looked to be a hopeless cause. But the Swiss stormed 3-2 ahead with goals from Thomas Bickel and Marcel Koller in the 51st and 55th minutes to emerge with a victory and some honor, despite losing 5-3 on aggregate.

In Auxerre, France, two goals from Sabri Lamouchi carried the French club into the quarterfinals with a 2-0 victory and 4-2 aggregate triumph over Besiktas of Istanbul.

Lamouchi struck his first just before the break, slipping the ball past the German goalkeeper Raimond Aumann after a brilliant dribble across the goalmouth. His second came four minutes after the interval, when

he drove the ball through Aumann's legs.

In Budapest, Ferencvaros beat Portugal's FC Porto, 2-0, but the visitors advanced on a 6-2 aggregate.

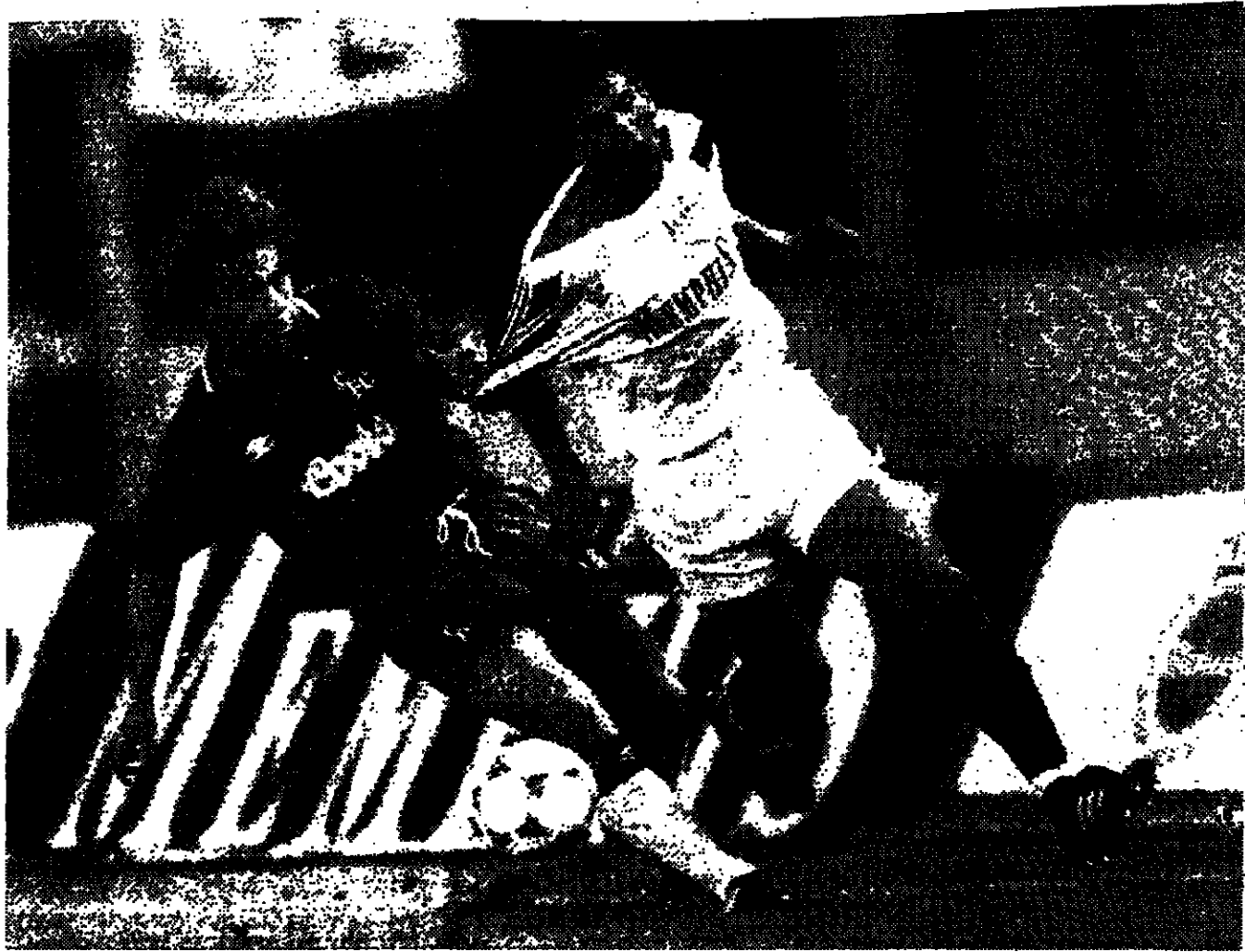
Ferencvaros's Gabor Zsuzsanyi scored after the ball had been knocked aside by Porto's keeper, Vitor Baia, in the 27th minute. In the 53d minute, Fernando Barbosa was expelled after a red card and Porto was left with only 10 men. The second goal came in the 61st minute from Eugen Neagoe, heading in Kenneth Christiansen's pass.

Panathinaikos and Belgium's FC Bruges played to a scoreless draw in Athens, allowing Bruges to advance on a 1-0 aggregate.

In a UEFA Cup match on Thursday in Dortmund, Germany, Karlheinz Riedle scored two goals and paced Borussia Dortmund to a 3-0 victory over Slovan Bratislava that put the German team into the third round.

Borussia advanced 4-2 on aggregate, after losing the first leg 2-1 in Slovakia.

(Reuters, AP)



Garrett Hall of Chelsea pulled Artis Seferioghlu's jersey in a battle for the ball during their match Thursday in Vienna.

## Claiming Divine Dispensation, Foreman Makes a Fiery Vow

By Gerald Eskenazi  
New York Times Service

LAS VEGAS — Suddenly, a mellow, avuncular George Foreman disappeared. He had been given a dispensation by the Almighty to hurt people. Or so he said.

It was as if the clock were turned back 20 years, when a young, scrawling Foreman rumbled over opponents and friends alike. Saying he regretted that he had taken it easy on opponents, Foreman implied that he would try to kill the heavyweight champion, Michael Moorer, in their bout here Saturday night.

Foreman's contention sent shock waves through the usually jaded boxing media on hand for the traditional pre-fight news conference between opponents. For Foreman had carved out a television and Madison Avenue career, cashing in on his Gospel-preaching, jocular, round countenance.

But his threatening remark Wednesday riled even one of his former opponents, Everett (Bigfoot) Martin, who jumped up to complain: "A preacher doesn't talk the way you talk! Talking about murder?"

Ah, boxing. Was Foreman simply verbally stalking Moorer, 26, as Teddy Atlas, the champ's streetwise trainer, had anticipated?

Foreman, 45, went into a long explanation of how, 20 years ago as champion, he

had talked of hitting Muhammad Ali so hard in their Zaire fight that Ali would be killed. But Foreman said that Ali's fellow Nation of Islam members had reminded him that such talk wasn't nice. Ali knocked him out.

There were other fighters he had taken it easy on, especially during his comeback, including Tommy Morrison, "but I let him off the hook."

"But let me tell you, brothers and sisters, as we stand here . . ." Then his voice trailed off and suddenly rose again when he said, as if working a congregation into a frenzy, "Can I get a hallelujah!"

Foreman said that two days ago, "The Almighty gave me permission to unwrap myself, unveil who I really am."

He was asked, away from the crowd, why he was now talking of "killing Moorer."

Foreman's eyes narrowed and he shouted: "Don't be lying on me. I never said that, about killing. Don't put words in my mouth. Don't be lying."

But Moorer and Atlas knew exactly what George meant, even if the former champion denied it. Indeed, said Atlas, they had planned not only for the fight, but for Wednesday's tactics of intimidation. Foreman would try to bore forward on Saturday, said Atlas.

"I prepared Michael for this," said Atlas. "It's all

based on Foreman thinking he can con you. This is probably the first time a trainer ever prepared a guy for a press conference."

So when George made his implied, but menacing, promise, the normally taciturn Moorer looked at Foreman and said: "The last time we were here you asked me take off my dark glasses. Well, they're off. You don't know nothing about me. You'll find out Saturday night."

Moorer has not fought for six months, since capturing the World Boxing Association and International Boxing Federation crowns from Evander Holyfield.

Both of these titles have grown in importance with Lennox Lewis's recent loss of his World Boxing Council championship to Oliver McCall, hardly a presence. If Foreman wins, he will be almost universally regarded as the only champion.

That is an honor that Moorer now retains, but in a subdued way. When he walked into the casino at the MGM Grand the other day, with his baseball cap on backward and his ever-present dark glasses, no one bothered him for autographs.

Not so Foreman, who was pursued by fans Wednesday and smiled sweetly as he signed dolls and photos and scraps of paper.



George Foreman working out for his heavyweight title fight against Michael Moorer.

### SIDELINES

#### Robinson and Bucks Agree on Deal

MILWAUKEE (AP) — The Milwaukee Bucks and Glenn Robinson, the top National Basketball Association draft pick, agreed Thursday to a 10-year contract, ending a bitter dispute. Terms of the deal were not released.

A Bucks spokesman, Bill King 2d, said the team and Robinson had reached a verbal agreement. Robinson was expected to sign by the end of the day, King said. The Bucks open the season Friday night in Philadelphia. Robinson, the nation's leading collegiate scorer last year as a junior at Purdue, had turned down an offer of nine years and \$60 million, fully guaranteed.

#### Faldo Shares the Lead in Bali Golf

NUSA DUA, Bali (Reuters) — Nick Faldo put himself back at the head of a leaderboard with a four-under-par 67 in the first round of the Dunhill Masters at the Bali Golf and Country Club on Thursday. The Briton shared first place with Mike Cuning of the United States, Terry Gale of Australia and Krishna Singh of Fiji. One shot back was Colin Montgomerie, the top European player.

#### For the Record

Tom Gullickson has been reappointed captain of the U.S. Davis Cup team. (Reuters)  
The National Football League chose San Francisco over Miami to hold Super Bowl XXXIII in 1999. (AP)

### SCOREBOARD

Champions League Table						
GROUP A						
	W	L	T	GF	GA	Pts
IFK Göteborg	3	1	0	6	5	6
Borussia Dortmund	2	2	1	5	5	5
Manchester Utd.	1	2	0	4	7	4
Golastanov	0	3	1	1	4	1
GROUP B						
	W	L	T	GF	GA	Pts
Paris-St. Germain	4	0	0	7	2	8
Borussia Munich	1	1	2	4	5	4
Spartak Moscow	0	2	2	4	8	2
Dynamo Kiev	1	2	0	4	6	2
GROUP C						
	W	L	T	GF	GA	Pts
Benfica	2	0	1	3	1	5
Hajduk Split	2	0	1	3	1	5
Steaua Bucharest	0	2	2	2	4	2
Anderlecht	0	2	2	2	5	2

GROUP D						
	W	L	T	GF	GA	Pts
Alex Amsterdam	2	0	2	5	2	4
s-AAC Milton	2	1	1	5	3	3
AS Monaco	0	1	3	1	4	3
AEK Athens	0	2	2	2	4	2

s - penalized two points for fan behavior.

ONE DAY INTERNATIONALS						
St Lanka vs. Zimbabwe						
Thursdays in Hong Kong						
St Lanka Innings: 256 (51 overs)						
Zimbabwe Innings: 290 (fall out, 58.1 overs)						
Result: St Lanka won by 36 runs.						
Indies vs. New Zealand						
Thursdays in New Delhi						
Indies Innings: 289 (51 overs)						
New Zealand Innings: 182 (fall out, 45.4 overs)						

#### ONE DAY INTERNATIONALS

Sri Lanka vs. Zimbabwe  
Thursday, in Harare  
Sri Lanka innings: 255-5 (50 overs)  
Zimbabwe innings: 200 (all out, 48 overs)  
Result: Sri Lanka won by 55 runs.  
India vs. New Zealand  
Thursday, in New Delhi  
India innings: 284-3 (50 overs)  
New Zealand innings: 182 (all out, 45.4 overs)  
Result: India won by 107 runs.

#### DENNIS THE MENACE

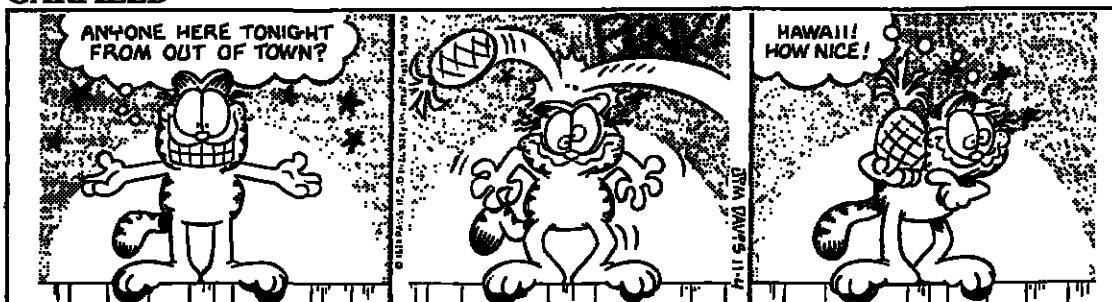


"I THINK GESUNDHEIT MEANS 'YOU MISSED ME'."

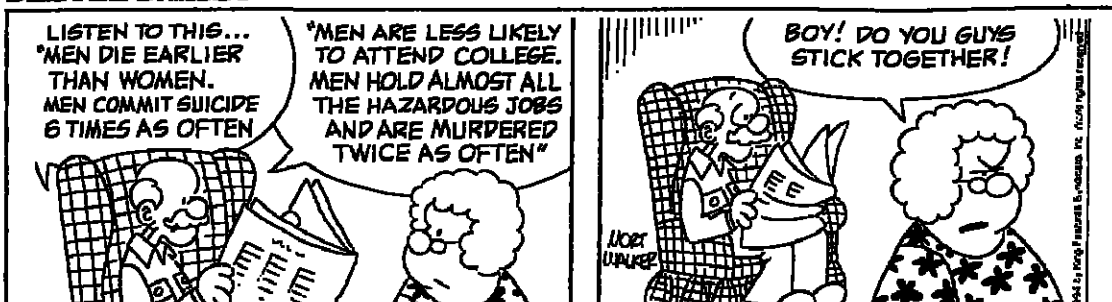
#### PEANUTS



#### GARFIELD



#### BEETLE BAILEY



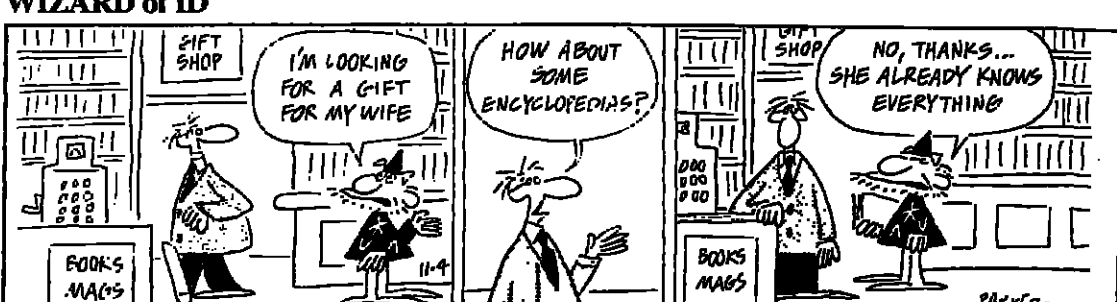
#### DOONESBURY



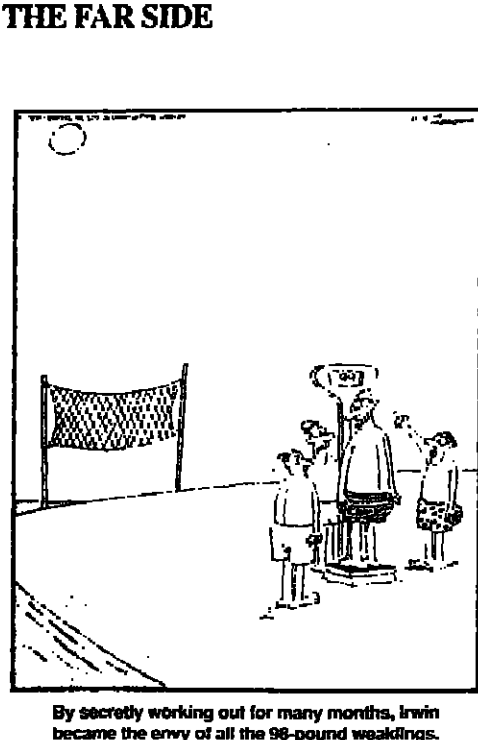
#### CALVIN AND HOBBS



#### WIZARD of ID



#### THE FAR SIDE



By secretly working out for many months, Irwin became the envy of all the 98-pound weaklings.

#### BLONDIE



**JUMBLE** THAT SCRAMBLED WORD GAME  
Unscramble these four Jumbles, one letter in each square, to form four ordinary words.  
U S T E A  
V U C E R  
F E B R Y L  
C E V I E D  
Now arrange the circled letters to form the superword, as suggested by the above clues.  
Print answer here: \_\_\_\_\_

To our readers in France  
It's never been easier to subscribe  
and save with our new toll free  
service.  
Just call us today at 05-437-437



# SPORTS

## For the NBA, Change Is the Name of the Game as a New Season Begins

By Richard Justice

**WASHINGTON** — Do you still remember the NBA's first season? The National Basketball Association spent a summer working that you might not. And you should not. Magic and Larry Bird have said good-bye, and they took Showtime with them. Where we once watched in awe as Magic finished a fastbreak with a look-pass and a dazzling smile, we were left with Larry Johnson jumping onto a rim woofing at an opponent. The finals deteriorated into half-court mud-wrestling. Say this for the NBA commissioner, David Stern: He's not passive. He didn't sit back and see whether last season's problems would still be problems this season. He didn't wait for offenses to adjust — he adjusted the game.

Now, as the 1994-95 season begins Friday, it's still an easy game to love, and a lot of people still do. Despite a dip in the league's exploding popularity, arenas will again be approximately 90 percent full. Franchise values, and salaries, are still soaring. State-of-the-art arenas are opening in Cleveland and Chicago and ground has been broken for new palaces in Portland, Oregon, and Boston. Most of all, it's still a wonderful, fast, graceful game. After a summer of free-agent movement, eight or nine teams believe this will be their year. "It's going to be extremely competitive," said the Miami Heat coach, Kevin Loughery. "We have so many high draft picks in our conference, and those are the people you build around. I believe it's going to be unbelievably competitive to make the playoffs. You're going to have to win 42 games, and I'm not sure, with the exception of three or four teams, it'll be that easy. It's going to be a battle for everyone else."

Stern has attacked the problem of low-scoring games by dramatically changing the rules. If you're above the foul line, a defensive player can no longer put a hand on his man, and while it may open up the court and the scoring, it may also lead to a transition period when a lot of the excitement will be watching endless processions of players line up for free throws. "I don't know if the game was rougher last season than in the past," said Pat Riley, the Knicks coach. "Back in the '60s and '70s, there weren't a whole lot of great, great athletes. Most of us used to stumble and fall into one another more than anything else. The techniques have changed. In the late '80s, Detroit showed you could win by emphasizing defense."

The three-point line has been moved in three feet (90 centimeters) at the top of the key to make it uniform all the way around. This gives almost everyone a new weapon. Before, a select few — Reggie Miller, Dale Ellis and some others — were consistent three-point shooters. Almost everyone was allowed to take the shot virtually undefended. Now, almost no one will get the uncontested three-pointer, and the league hopes the change will open up the congested lane areas. Lots of familiar faces are back, and still others are in different places. Danny Manning has moved from the Atlanta Hawks to the Phoenix Suns. Horace Grant left Chicago for Orlando. Robert Parish has moved

But if Patrick Ewing and Charles Oakley stay healthy, there's a sneaking suspicion that Riley and the Knicks could get back to the finals. Indiana was 13 seconds short of winning the East and added guard Mark Jackson. If Larry Johnson is healthy, Charlotte again will be a force. Chicago has an interesting cast that no longer includes Grant and Jordan, but does have Scottie Pippen, Toni Kukoc and Harper. Seattle won 63 games, bombed in the playoffs and added Sarunas Marciulionis. San Antonio still is solid; Houston is the defending champion. Denver is interesting after its upset of Seattle in the playoffs. But the eyes of the West — and the league for that matter — will be on Phoenix, where the Suns not only have the league's most interesting team and perhaps only remaining marquee player, but also an astounding new trend.

The Suns will be picked by a lot of people to win it all even though they don't have a legitimate center. What they do have is Charles Barkley, who with the departure of Jordan and friends, has become the single superstar who bridges Magic and Bird with Generation X. Barkley has indicated this might be his final season, and if it is, the Suns will have a lot of people rooting for them. Barkley was mulling retirement when the owner, Jerry Colangelo, began his offseason overhaul. But Colangelo had no salary-cap room, he had a superstar talking of retirement and he had a team that had lost to the eventual champions two years in a row. He didn't become the league's shrewdest operator for nothing, and Colangelo found out some players would pay to play in Phoenix. The Suns wanted Manning, but couldn't afford him. Then when Manning visited, he asked Colangelo: "How much can you afford?" Colangelo told him \$1 million, which didn't seem like much to someone who made \$3.5 million last

season and had been offered \$35 million over seven years by Atlanta. Manning signed. "During his visit, I asked him what was important," Colangelo said. "He listed 'franchise,' 'city,' 'team,' and 'coach.' And then there was 'money.' That's unusual in this day and age." Likewise, Wayman Tisdale, who made \$2.3 million last season, signed up with the Suns for \$350,000. The Clippers had offered \$7.5 million over three years, but Tisdale, who has played in just four playoff games in nine NBA seasons, wanted to win. One of the highlights of the season should come early when Atlanta's Lenny Wilkens, one of the classic and most respected coaches in history, passes Red Auerbach and becomes the winningest coach in league history. He begins the season with 926 victories, 12 behind Auerbach. "When Red established that record," Wilkens said, "nobody, including me, thought it would be broken."

## Sunday at RFK With the Mob

By Joel Achenbach

**WASHINGTON** — In most cities, the fantasy of the average football fan is to be the quarterback, driving the team toward the go-ahead touchdown. In Washington there are people who fantasize about being the team's general manager, the front-office guy, periodically trading away marginal players for draft choices to be named later. And because this is the City of Perks, there are many corporate fans who get tickets from the firm, one game a year, and can never quite get the hang of rooting. "Let's take that pigskin down the gridiron!" the corporate fan will shout, trying to mimic normal fan talk. Or maybe, at a dicey moment, "C'mon, ref! Call the bologna!"

### Vantage Point

But despite all that, these weenies are the exception to the rule. RFK Stadium is no Camden Yards. This is a rather intriguing bit of irony. It is blue-collar Baltimore that now has the splendid, socially stratified ballpark with the club seats and box seats and sky boxes and the limos outside, while white-collar Washington has the old-fashioned, beer-stained stadium. At an Orioles game you see lots of lawyers and legislators in sports jackets and polo shirts; at a Redskins game you see lots of big-game mechanics in Art Monk jerseys. The fact is, the Skins are a blue-collar team, even if the city has the reputation for clean fingernails. It's a historic franchise with a deep fan base, even if Washington is full of transients. It's always been said that the Skins are the only thing that brings people in Washington together from all walks of life. It's also true that the Skins are just a catalyst for a deeper human yearning. People want to come together. What makes a Redskins game so enjoyable is not the sight of these large men doing heroic physical feats in conquest of large men from another city — if that were so, this would be a bleak season indeed — but rather the agglomeration of people, the creation of a crowd, the ennobling of disparate individuals, the conglomeration of a mass. The fans do not root individually, they root as a mob.

**PESSIMISTIC** social scientists are running around talking about the differences among people, about divisions in society, about the growing and inevitable cleaving of people into elite and subservient classes. These scientists should go to a Redskins game. They would probably look around and think: But this is statistically impossible! A Redskins game is full of Washington outsiders — which is why it's the real Washington. Forget what you read in the society stories: There are several million people who live in this area, and only an infinitesimal percentage have ever been to a black-tie dinner in Georgetown. Washington is a largely conservative, elegant community in which a Redskins game is one of the last vulgar pleasures. Vulgar comes from the Latin vulgus, meaning "mob" or "common people." We can honestly mean it as a compliment to say that a Skins game is wonderfully vulgar. There's a big screen over one end zone that is too

technologically primitive to actually show an instant replay; the best it can do is say things like **PENALTY!** A sign above the south end zone says Budweiser Budweiser Budweiser, a chant for the mob as wide as the football field. On television the game is a choreographed contest between the fleet players in the skill positions, but in person the game is just big guys smashing together and knocking each other silly in a giant pile in the middle of the field. And there is plenty of drinking. A stadium deck overlooking the D. C. Armory has a kind of frat party at halftime every game. Rooted in one spot this past Sunday were two guys who looked like they had been holding beers since the cradle. Chico Molina said he was a bartender, and his buddy, Doug Thompson, when asked what he does, said he was a customer of Chico's.

**EVERY** game they stand in pretty much the same spot. That's part of the charm: You know your place. At five minutes to halftime you dash for the party deck and take up positions. It becomes belly-to-belly packed. Liquor is served. Said Chico: "It's not a bunch of guys in suits, it's a bunch of guys in sweat shirts drinking tall boys on the way in. There's Neil over there. Neil, what's happening, buddy?" Neil waved with his beer. Chico raised his beer back. The men had bonded.

Chico remembers one time he was driving toward the stadium on Benning Road, the guy in the car next to him stops, turns on his emergency blinkers, gets out, dumps antifreeze on the ground in front of the car, and starts selling crack to people running up to the car. The antifreeze was in case a cop came by. Car overheated, the dealer could say.

There was a woman standing nearby in a burlesque and gold nun's habit. She was drinking a Jack and Coke and was working a cigarette. She was being worked in turn by a middle-aged sailor. "I'm on the make," he announced. She was working him right back. "He's single," she growled approvingly to a reporter.

Obviously she was no nun. She was Geraldine Combs, an investigator for the Department of Defense, although she said, "I'm a blue-collar person at heart." The habit was a Halloween prank. "I gotta go boyfing after this," she said. By the end of halftime the mob started to disperse. It was getting sloppy everywhere. Things were spilling on the floor, down the fronts of shirts. A woman took a dive outside the rest room. A fight broke out in the north end zone, the security team dragged someone away, then the fight re-erupted as the man reappeared on the scene, the crowd torn between the spectacle of real violence and the simultaneous field-goal attempt by Chip Lohmiller. The kick was good. The fight was just so-so.

After 59 minutes of play the Skins were winning. The Eagles drove down the field. The fans hooted and hollered for the defense to make a stand. They stamped their feet. The stadium literally shook. It was a good vibration.

When they write the story of the 20th century, the historians will be in awe of the power of crowds. The crowd is the most powerful force on the planet, potentially deadly, and always weirdly in love with itself. The mob is an expression of human nature. It feels good to be part of something larger, and dumber, than yourself.



**EVERYONE LOVES THE LOSER** — The tennis phenom Venus Williams, 14, signing autographs after losing her second pro match, to Arantxa Sánchez Vicario, right, the world's No. 2 player, who waited far from the limelight.

## Players Threaten to Cut NHL Playoffs

By Joe Lapointe

**TORONTO** — While the National Hockey League chopped 10 more games from its damaged regular season, its locked-out players' union met here and discussed the possibility of retaliating by threatening not to play some postseason games. Such a move would hurt owners more than players because playoff games generate higher ticket prices and profits, as well as more television revenue, under the terms of the league's television contract, which is heavily weighted toward playoff games. "If we want to turn up the heat, we tell them, 'O.K., you keep knocking these games off, and we start taking away playoff games,'" said Brett Hull, star of the St. Louis Blues. "We could make the first-round series two games out of three."

Since there is no collective bargaining agreement, all terms of the new one, including playoff games, would have to be approved by the players. Currently, all four rounds of the playoffs are four-of-seven-game series. Although players are not paid during the playoffs, they do get bonus money, depending on how far their teams advance. However, for many players, their regular-season salary money, on a game-by-game average, is greater than their playoff money. Mike Gartner, president of the NHL Players Association,

said a union-ordered cancellation of playoff games was a real possibility. "When you look at the playoffs, we don't get much of it, and that's when the teams do generate a substantial amount of revenue," he said. "If the season is going to get cut down, then maybe that is something that we seriously have to look at. Any new agreement will also

cut into playoff games. Maybe the season itself will be extended, and the playoff games will be cut down." The NHL announced the reduction of the regular season by 10 more games Wednesday. Four games had already been canceled from the season that was to begin on Oct. 1, so the 84-game season has now been reduced to 70 games, and the lockout has lasted 33 days.

## PRICE PLUMMETS BUT NOT FOR LONG

A year's subscription to the Herald Tribune gets you up to 50% off the cover price. Equally exciting short-term offers. The world's most powerful news-gathering network is making a deal with you. But only if you act now.

To start your subscription just fax us: In Europe — Paris (+33-1) 46 37 06 51 In Asia — Hong Kong (+852) 9222 11 99 Or refer to the subscription advertisement in this edition.

**Herald Tribune**  
PUBLISHED EVERY DAY EXCEPT SUNDAY AND THE HOLIDAYS

## Baseball: New Talks Expected

**NEW YORK** — Major league baseball players and owners, who have met at the bargaining table just four times since the strike began in August, are expected to resume talks next week in New York.

Three sources, one from management and two on the players' side, said Wednesday that mediator W. J. Utery was prepared to bring the sides back together. Utery was appointed by President Clinton as a special mediator on Oct. 14. The strike began Aug. 12 and there has been just one bargaining session since owners voted to cancel the season.

The sources on the players' side, who asked not to be identified, said they understood meetings would be held Wednesday through Friday. The management source, also not wishing to be identified, said he understood that next Thursday was the most likely date for the resumption.

The union chief, Donald Fehr, and the management negotiator, Richard Ravitch, could not immediately be reached. "I'm pretty sure we'll be meeting next week," acting baseball commissioner, Bud Selig, said.

The owners have not changed their proposal since they gave it to the union on June 14, but they plan to make changes so they can impose a salary cap. They intend to remove their \$1 billion annual guarantee to players, remove any joint sharing of licensing money from both sides and propose minimum salaries.

## CROSSWORD

**ACROSS**

1 Even Cowgirls Get the Blues star

11 "Star Wars" sage

15 Modern-day 20-Across

16 Common first floor apt. no.

17 Riding around town, maybe

18 Former Pistons coach Chuck

19 Cartouches

20 Radio message

21 End of the "Pledge" tree people

22 "Mmmmmmm!"

23 Back biters

24 1993 Peace Prize winner

25 Word part: Abbr.

26 Hank Aaron still

27 Assign too high a rating to

28 Best in a race

29 Jeans maker Strauss

30 Smart

31 Mata —

32 Smart Alex?

33 Singer from Ottawa

34 Hammer's location

35 Kind of order

36 Walked on

37 First name in mysteries

38 Queen of the Misty Isles, in the comics

39 Drumsticks, basically

40 Spot in the mer

41 Leonardo's ladies

42 Latin lover's word?

43 Tabula rasa

44 Colorado resort

45 Photo retoucher

46 Last of the Stuarts

47 Get penalized, in some games

**DOWN**

1 Golden rule word

2 Nuclear missile

3 Calabazas

4 Apple targeter?

5 Hip huggers?

6 One, to Antoine

7 Fernando, por ejemplo

8 Humidified

9 Mitts

10 Darkroom

11 Yukon neighbor

12 Film director Gus Varn

13 Winter woe

14 Klugea flow

15 John Doe

16 Start of many resolutions

17 Small amount

18 Modern breakfast

19 Laotian money

20 Senator Cochran

21 Basketball's Archibald

22 Freudian study

23 Fills with cargo

24 Roman proverbial in a biblical dispute

25 Weaver's fiber

26 Unwelcome looks

27 Suffix with myth or monarch

28 To boot

**Across**

15 20 25 30 35 40 45 50 55 60 65 70 75 80 85 90 95 100

**Down**

1 5 9 13 17 21 25 29 33 37 41 45 49 53 57 61 65 69 73 77 81 85 89 93 97 101

© New York Times/Edited by Will Shortz

**Solution to Puzzle of Nov. 3**

CARR ARP PIKAS  
OIE WERT OMARA  
BOBINFORAPPLER  
BOSUN SLAV IEMS  
FRI OLEAN  
PUFFINONACIGAR  
ATL GAG RENEE  
STOPPER DREDDO  
FERRI SOO EVE  
RAISINCHILDREN  
MARIA LAI  
AQUA OKRA ISLET  
DUSTINOFFACHAIR  
TIMES NERO EDNA  
STASH DOS SEEP

**ESORTS & GUIDES**

**BELGRAVIA ORCHIDS**

LONDON PARIS GENEVA ZURICH  
Escort Agency Credit Cards Welcome

**UK 071 589 5237**

**INTERNATIONAL ESCORTS**

Service - Worldwide  
Tel: 212-762-7896 New York, USA  
Major Credit Cards Accepted

**LONDON'S NO. 1 ESCORT**

3 Shaftesbury St. London W1  
AGENCY 071 258 0090

**LONDON BRAZILIAN ESCORT**

Service 071 724 5997/91 - credit cards

**CHESEA ESCORT SERVICE**

51 Beauchamp Place, London SW3  
Tel: 071-364 6513

**ZURICH - VIOLET**

Escort Service. Credit cards accepted.  
Tel: 071-63 83 32.

**INTERNATIONAL CLASSIFIED**

(Continued From Page 7)

**MUNICH WELCOME**  
Escort & Guide Agency  
PLEASE CALL 089-71 23 14

**ORIENTAL ESCORT SERVICE**  
Escort Service & Travel to Middle East  
PLEASE PHONE 071 225 3214

**AMSTERDAM DREAMS ESCORT**  
Escort Service & Travel to Middle East  
Tel: +31 20 624 02 11 / 64 02 666

**CHICAGO INTERNATIONAL**  
Escort Agency  
Tel: 312 677 5086

**TOKYO EXECUTIVE**  
Escort Service. Credit cards.  
Tel: 03-3499170

**VIENNA ZURICH PARIS PRAGUE**  
Escort Service VIENNA'S BEST  
Call Vienna 01 332 11 32

**MILAN - ROMA - BULTE**  
Escort Service & Travel to Middle East  
Tel: 02 43 47 78 72

**LONDON - BENTON**  
Escort & Guide Agency  
Tel: 021-210 6145 / 071-540409

**PARIS - LONDON**  
Escort Service  
Tel: 01 463 23 34

**CHICAGO - LONDON**  
Escort Service  
Tel: 071-486-4515

**KENSINGTON ESCORT AGENCY**  
10 Kensington Church St. London W8  
Tel: 071 937 9130/9133 credit cards

**ZURICH SUSAN**  
Escort Service  
Tel: 01 381 99 48

**VIENNA ZURICH PARIS MUNICH**  
HIGH SOCIETY International Escort  
Vienna  
Tel: 0222 676 96 63

**DISSEDO - MON - BONNI**  
Escort Service. Credit cards.  
Tel: 0221-210 6145 / 071-540409

**FRANKFURT KOUN DISSEDO**  
of oners, Escort Service.  
069-42929

**DUNA - BERLIN**  
Escort Service  
Tel: 030 281 6955

**FIVE STARS**  
Escort & Guide Service  
FRANKFURT 069 / 352 221

**GENEVA - PARIS**  
Escort Service. Credit cards.  
Tel: 022 210 6145 / 071-540409

**EXECUTIVE**  
LONDON ESCORT SERVICE  
Tel: 071 722 5008 Credit Cards

**WILD SWAN**  
Escort Service  
Tel: 01 463 23 34

**COLLEGE GIRLS**  
Escort Service  
Tel: 01 463 23 34

**ZURICH - VIENNA - MUNICH**  
Escort Service. Credit cards.  
Tel: 022 210 6145 / 071-540409

**GENEVA INTERNATIONAL**  
Escort Service  
Tel: 022 210 6145 / 071-540409

**DELTA AIRLINES**

THE WAY WE FLY



